

## FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARD

X-7968

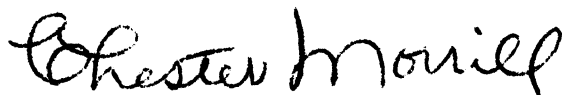
July 26, 1934.

SUBJECT: Examination of State Member Banks  
in Connection with the Required  
Certification to the Federal Deposit  
Insurance Corporation.

Dear Sir:

There is inclosed for your information a copy of a letter which the Board has addressed to the Federal Reserve Agent at the Federal Reserve Bank of St. Louis with regard to the examination of State member banks in connection with the required certification to the Federal Deposit Insurance Corporation, in view of the amendment to Section 12 B of the Federal Reserve Act extending the time within which the permanent insurance fund may become effective.

Very truly yours,



Chester Morrill,  
Secretary.

Inclosure.

COPY

X-7968-a

July 26, 1934.

Mr. John S. Wood,  
Federal Reserve Agent,  
Federal Reserve Bank of St. Louis,  
St. Louis, Mo.

Dear Mr. Wood:

Reference is made to your letter of July 17, 1934, regarding examinations of State member banks in connection with the required certification to the Federal Deposit Insurance Corporation and requesting authorization to make such examinations commencing October 1, 1934.

The Board feels that reports of examination made as of October 1, 1934, or subsequent thereto, may properly be used as a basis for certification in connection with applications of State member banks for the purchase of stock in the Federal Deposit Insurance Corporation prior to July 1, 1935, provided, of course, such reports indicate that a thorough examination has been made and fairly represent the condition of the banks at the time of certification. Before making final recommendations with regard to certification, therefore, it will be expected that you will review the reports of any examinations made prior to January 1, 1935, for the purpose of determining whether, since the date of examination, there has been any change in the condition of the bank which would render the question of certification doubtful. In case of doubt, either as to whether the condition

Mr. John S. Wood

-2-

X-7968-a

of the bank as reflected in the report of examination warrants certification to the Federal Deposit Insurance Corporation, or whether there has been any subsequent change in the condition of the bank which would raise a question as to whether the assets of the bank are adequate to enable it to meet all of its liabilities to depositors and other creditors, another examination should be made to serve as a basis for the required certification.

It is assumed that the program of examinations will be so arranged that whenever possible examinations of banks dependent upon seasonal liquidation will be made subsequent to the liquidation period.

Very truly yours,

(Signed) Chester Morrill

Chester Morrill,  
Secretary.