

## FEDERAL RESERVE BOARD

WASHINGTON

X-9283

ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARD

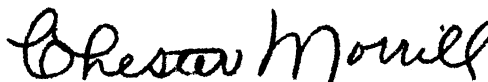
August 14, 1935.

Subject: Distribution of Handbook for  
Trust Examiners to Supervisory  
Banking Authorities.

Dear Sir:

There is inclosed herewith for your information and guidance a copy of a letter which the Federal Reserve Board has addressed to the Federal Reserve Agent at the Federal Reserve Bank of Minneapolis with regard to the distribution of a Handbook for Trust Examiners to banking authorities as a step towards the attainment of substantial uniformity in examinations of trust departments of institutions exercising fiduciary powers. Your cooperation with the Federal Reserve Agent at the Federal Reserve Bank of Minneapolis in this matter will be greatly appreciated.

Very truly yours,



Chester Morrill,  
Secretary.

Inclosure.

X-9283-a

August 14, 1935.

Mr. J. N. Peyton,  
Federal Reserve Agent,  
Federal Reserve Bank of Minneapolis,  
Minneapolis, Minnesota.

Dear Mr. Peyton:

Receipt is acknowledged of your letter of August 2, 1935, to Mr. Paulger requesting advice as to whether there would be any objection to the furnishing of copies of the Handbook for Trust Examiners which has been prepared under your direction to the banking authorities of the several States.

The Board feels that, as you suggested, it would be desirable for examinations of trust departments of institutions exercising trust powers throughout the United States to be on a substantially uniform basis. The furnishing of copies of the Handbook your office has prepared to the various State banking authorities would be a constructive step towards attaining uniformity in trust department examination procedure, and the Board feels that it would be desirable to furnish the banking authorities of the various States with copies of the Handbook.

It is understood that, in the course of the preparation of the Handbook, suggestions and criticisms were obtained from each of the Federal Reserve banks and suggestions were also obtained from members of the Board's staff. Therefore, while the Board has not attempted to approve the Handbook as an official document of the Board, the Handbook may properly be considered to represent the composite thought of the System based on its comparatively brief experience in active examinations of trust

departments. In the circumstances, it is suggested that, in submitting the Handbook to the banking authorities of the various States, attention be called to these facts and any suggestions which the experience of any such authorities indicates is desirable be requested, in order that eventually the Handbook may be made as complete and useful as practicable. In this connection, specific attention should be called to the fact that it is not contemplated that the Handbook will be used by institutions exercising trust powers as a manual covering the administration of trusts, but that it is designed merely for the information and assistance of examiners in determining whether or not trust departments are being conducted in accordance with sound practices and for the assistance of examiners in obtaining a correction of any unsound practices. Accordingly, it might be suggested to the State banking authorities that they not distribute the Handbook to institutions exercising trust powers.

As you know, it is the practice of each of the Federal Reserve banks to keep in close touch with the banking authorities of the various States in their respective districts and to cooperate with such authorities in connection with examinations of member banks. In view of these facts and in view of possible local questions in particular Federal Reserve districts, it would seem desirable that the Handbook be distributed directly by you to the banking authorities of the States in your district and that you furnish copies to each of the other Federal Reserve banks and request that consideration be given to the desirability of each of such banks distributing copies to the banking authorities of the various States in their respective districts on the basis discussed in this letter.

It is also suggested that copies of the Handbook be furnished to the chief national bank examiners in the various Federal Reserve districts for their information and for such suggestions as they may deem desirable. It is contemplated that the distribution to the chief national bank examiners will be made through the various Federal Reserve banks on the same basis as the distribution to the banking authorities of the various States. When you have forwarded printed copies of the Handbook to the Board, it will be glad to forward a copy to the Comptroller of the Currency for his information and for such suggestions as he may deem advisable.

As a matter of information in connection with a possible further revision of the Handbook in the light of any suggestions which may be received, it would also seem desirable that you request each of the Federal Reserve banks to forward your office any suggestions received, together with any comments which the Federal Reserve bank may desire to make in connection therewith. In view of the fact that the Handbook was prepared by your office, it is assumed that, in the event any revision should be necessary, it will be prepared by your office.

A copy of this letter is being forwarded to each of the Federal Reserve banks for their information and guidance.

The Board has requested me to express to you its appreciation of your constructive work in this connection.

Very truly yours,

(Signed) Chester Morrill

Chester Morrill,  
Secretary.