

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-9305

September 3, 1935.

Dear Sir:

The Federal Deposit Insurance Corporation has requested that the following provisions of paragraph (1) of subsection (1) of section 12B of the Federal Reserve Act as amended by the Banking Act of 1935 be called to the special attention of all State member banks to which they are applicable:

"On and after the effective date, the Corporation shall insure the deposits of all insured banks as provided in this section: Provided, That the insurance shall apply only to deposits of insured banks which have been made available since March 10, 1933, for withdrawal in the usual course of the banking business: Provided further, That if any insured bank shall, without the consent of the Corporation, release or modify restrictions on or deferments of deposits which had not been made available for withdrawal in the usual course of the banking business on or before the effective date, such deposits shall not be insured."

It will be appreciated, therefore, if you will call such statutory provisions to the attention of all State member banks in your district having deposits which, because of their restricted status or deferred maturity, are not insured under

subsection (1) quoted above. Please advise the Board of the name of each such bank, together with the amount of restricted or deferred deposits as of August 23, 1935, the effective date of the Banking Act of 1935, and the terms of such restrictions or deferments.

Very truly yours,

Chester Morrill

Chester Morrill,
Secretary.

TO ALL FEDERAL RESERVE AGENTS.