

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

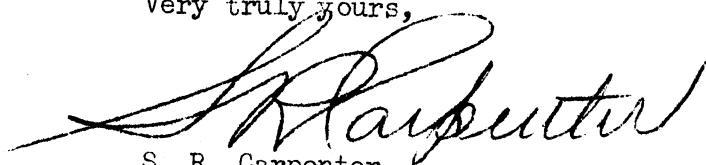
July 20, 1936



Dear Sir:

There is attached, for the information of your bank, a copy of a letter addressed to the Assistant Federal Reserve Agent at Richmond under date of July 2, 1936, with respect to the interpretation of subsection (b) of section 7 of the Board's Regulation F, "Trust Powers of National Banks".

Very truly yours,


S. R. Carpenter,
Assistant Secretary.

Inclosure.

TO ALL PRESIDENTS.

Copy

X-9654-a

July 2, 1936

Mr. J. G. Fry,
Assistant Federal Reserve Agent,
Federal Reserve Bank of Richmond,
Richmond, Virginia.

Dear Mr. Fry:

This refers to your letter of June 8, 1936, inclosing a copy of a letter from Mr. _____, Vice President and Trust Officer, _____ National Bank, _____, _____, relating to subsection (b) of section 7 of the Board's Regulation F, revised effective June 1, 1936, which reads as follows:

"Record of pending litigation.--Every such national bank shall keep an adequate record of all litigation pending against it in connection with its administration of any trust."

The above provision is intended to apply only to litigation involving alleged negligence or misconduct of the bank for which the bank is answerable individually. While such provision does not apply to litigation involving the validity of a will or claims against an estate where there is no allegation of negligence or misconduct of the bank for which the bank is answerable individually, it is assumed that the bank will, of course, keep such records in that connection as will enable it properly to discharge its duties as a fiduciary.

Very truly yours,

(Signed) L. P. Bethea

L. P. Bethea,
Assistant Secretary.