

X-9702  
Reg. Q-25

INTERPRETATION OF LAW OR REGULATION

(Copies to be sent to all Federal Reserve banks)

September 22, 1936.

Mr. \_\_\_\_\_, Assistant Cashier,  
The \_\_\_\_\_ National Bank,  
\_\_\_\_\_, \_\_\_\_\_.

Dear Sir:

This refers to your letter of June 26, 1936, addressed to the Comptroller of the Currency, regarding the question whether your bank may classify a deposit in the name of the \_\_\_\_\_ Company, collateral for (name of individual), as a savings deposit under the provisions of section 1(e) of Regulation Q. As stated in the Board's letter to you dated August 5, 1936, your letter has been referred by the Comptroller of the Currency to the Board for reply.

You state that the funds in question were deposited in your bank by (name of individual) to the credit of the \_\_\_\_\_ Company to secure the company on an appearance bond furnished for (name of individual). The quoted portion of the letter from the surety company states that the funds deposited would become the property of the company only upon breach of the bond in connection with which the collateral was given. The surety company also states that upon the discharge of the company's liability on the appearance bond, without loss, and upon payment of any premium due, the funds in the deposit with accumulated interest would be returned to the depositor.

Under the circumstances stated above, it is the view of the Board that the deposit may be considered one in which the entire beneficial interest is held by an individual and that the deposit may be classified as a savings deposit if it complies with the other requirements of section 1(e) of Regulation Q.

Of course, if the surety company should hereafter assert any claim to the fund in any capacity other than as a mere holder for the purposes stated above, a different situation would be presented.

If you should have any further questions regarding this matter or any similar matter, it is believed that you may find it more convenient to communicate with the Federal Reserve Bank of Kansas City.

Very truly yours,

(Signed) L. P. Bethea

L. P. Bethea,  
Assistant Secretary.