

S-46
Reg. Q-34

INTERPRETATION OF LAW OR REGULATION

(Copies to be sent to all Federal Reserve banks)

November 12, 1937.

Honorable J. F. T. O'Connor,
Comptroller of the Currency,
Washington, D. C.

Dear Mr. Comptroller:

This refers to Mr. Prentiss' letter of September 18, 1936, inclosing a copy of a letter from the _____ National Bank, _____, _____, presenting the question whether a deposit of the _____ Poor District may be classified by a member bank as a savings deposit under the definition in section 1(e) of Regulation Q.

The Board of Governors has recently taken the position that a school district may be considered as an organization operated primarily for religious, philanthropic, charitable, educational, fraternal or other similar purposes within the meaning of section 1(e) of Regulation Q and that a deposit of such a district may be classified as a savings deposit if it complies with the other requirements of the definition. On the same basis, a poor district constituting a separate political subdivision the primary function of which is the care and relief of the poor may be considered as an organization operated primarily for religious, philanthropic, charitable, educational, fraternal or other similar purposes and, therefore, a deposit of such a district may properly be classified by a member bank as a savings deposit provided the deposit complies with the other requirements of the definition.

Very truly yours,

(Signed) L. P. Bethea

L. P. Bethea,
Assistant Secretary.