

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

R-555

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 16, 1939.



Dear Sir:

Regulation F, Trust Powers of National Banks, has been amended effective November 20, 1939, and a supply of copies of the amended regulation is being forwarded to you under separate cover.

The only substantive amendment to the regulation relates to the requirements of section 11. Inquiries received from time to time have indicated that in some instances the best interests of trusts might be better served if the requirements were somewhat more flexible. Accordingly, transactions have been excepted from such requirements where specifically authorized by court order. This exception has been incorporated in the regulation by substituting for the last sentence of footnote 12 the following footnote applicable to the entire section:

"The requirements of this section shall not be deemed to prohibit the making of any investments or the carrying out of any transactions which are expressly required by the instrument creating the trust or are specifically authorized by court order."

For the purpose of clarification, the first sentence of footnote 12 has been revised and incorporated as a footnote appended to the word "interests" in subsections (a) and (b) of section 11.

Certain technical amendments to section 17 and the appendix have been adopted in order to conform with amendments to the Internal Revenue laws.

Very truly yours,

A handwritten signature in cursive script, appearing to read "S. R. Carpenter".

S. R. Carpenter,
Assistant Secretary.

TO PRESIDENTS OF ALL FEDERAL RESERVE BANKS.