

INTERPRETATION OF LAW OR REGULATION

(Copies to be sent to all Federal Reserve banks)

September 8, 1939.

Mr. \_\_\_\_\_, President,  
\_\_\_\_\_ National Bank of \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_.

Dear Sir:

A copy of your letter of August 9, 1939, addressed to the Chief National Bank Examiner of your district, regarding the question whether certificates of deposit maturing on Sunday may be renewed or paid on the previous day, has been referred to the Board of Governors of the Federal Reserve System by the office of the Comptroller of the Currency.

The Board of Governors, in a ruling published at page 609 of the 1934 Federal Reserve Bulletin, declared that there is no provision of law which would preclude the renewal of a time certificate of deposit prior to the date of its maturity, dating the new certificate as of the date of maturity of the original certificate.

When the maturity of a certificate of deposit falls on a Sunday, the date on which it is due and payable is to be determined by State law. It is our understanding that, under the statutes of (Name of State), negotiable paper maturing on a Sunday or on a holiday becomes due on the succeeding secular or business day and, accordingly, if this is correct, under section 4 of the Board's Regulation Q, a copy of which is enclosed, a member bank of the Federal Reserve System located in (Name of State) may not pay a time certificate of deposit having such a maturity until the next succeeding secular or business day, except in the circumstances specified in the regulation.

If you have any further questions regarding this matter, or any similar matter, it is suggested that you communicate with the Federal Reserve Bank of \_\_\_\_\_.

Very truly yours,

(Signed) L. P. Bethea,

L. P. Bethea,  
Assistant Secretary.