

INTERPRETATION OF LAW OR REGULATION

(Copies to be sent to all Federal Reserve banks)

September 15, 1939.

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

Dear Sir:

Your letter of August 11, 1939, addressed to the Comptroller of the Currency has been referred to the Board of Governors of the Federal Reserve System for reply. You request information as to whether your bank may pay interest on a savings account after the death of the depositor.

Under the definition of the term "savings deposit" contained in subsection 1(e) of the Board's Regulation Q, a copy of which is enclosed herewith, such a deposit may consist of funds, the entire beneficial interest in which is held by one or more individuals or by a corporation, association, or other organization operated primarily for religious, philanthropic, charitable, educational, fraternal, or other similar purposes and not operated for profit. Accordingly, a savings deposit may continue to be classified as such after the death of the depositor if the entire beneficial interest is then held by individuals or organizations of the kinds mentioned in the regulation. Likewise, a deposit in the name of an executor or administrator may be classified as a savings deposit if it meets the other requirements of the definition of savings deposits in the regulation and the entire beneficial interest is held by individuals or organizations of the kinds mentioned. Even where it is not known whether the entire beneficial interest is held by individuals or organizations of the kinds described, the Board of Governors will offer no objection, for a reasonable time after the death of the depositor, to the continued classification as a savings deposit of a deposit which has theretofore been properly classified as such.

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.