

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON

S-202

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD



January 24, 1940

Dear Sir:

A number of instances have come to our attention where Federal Reserve banks have been requested to issue officers' checks or to certify checks drawn on them where the checks were to be held for a period by other banks, to be pledged as collateral to deposits, or to be turned over to depositors in member or nonmember clearing banks who had no intention of promptly presenting them for payment. Such use of the checks may have an effect upon the amount of deposits subject to reserve under Section 19 or to insurance assessments of Section 12B of the Federal Reserve Act.

In order that the Board and the Federal Deposit Insurance Corporation may be kept informed to the extent to which such checks are issued or certified for these purposes, it will be appreciated if you will kindly furnish the Board with a monthly report on the enclosed form (F.R. 194), a supply of which is being sent to you under separate cover. No check need be included where there appears to have been no delay in its presentation for payment nor need any check for less than \$100,000 be reported if it is outstanding for less than one week. If you have information as to whether the member or nonmember clearing bank reduces its deposit liability at the time it obtains an officer's check from your bank or has its own check certified for either of the purposes stated above, or if there are unusual bank endorsements, it will be appreciated if you will so indicate in the last column of the report, and explain the nature of the transaction in a footnote or otherwise where you think the information would be of interest to the Board.

Very truly yours,

L. P. Bethea,  
Assistant Secretary.

Enclosure.

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS