

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON

S-589

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD



November 20, 1942.

Dear Sir:

The discussions that have been had with the presidents of most of the Federal Reserve Banks with branches relative to the desirability of increasing the powers and functions of the more important branches indicate that in some cases the Banks may wish to have a vice president or other officer of the Federal Reserve Bank in charge of a branch instead of a managing director. In order to make possible such an arrangement the Board has revised its regulations relating to branches of Federal Reserve Banks and a copy of the amendment is enclosed herewith.

The above-mentioned amendment will be incorporated in the regulations relating to branches which will be reprinted for inclusion in the Federal Reserve Loose-Leaf Service.

Very truly yours,

A handwritten signature in dark ink, appearing to read "L. P. Bethea".

L. P. Bethea,  
Assistant Secretary.

Enclosure.



TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS.

S-589-a

PROPOSED AMENDMENT TO REGULATION RELATING TO  
BRANCHES OF FEDERAL RESERVE BANKS

1. The first sentence of paragraph (c) of section 3 is amended to read as follows:

"Where a Vice President or other officer (who is not a Director) has not been appointed as active manager of a branch, one of the directors appointed by the Federal Reserve Bank shall be designated by it as the active manager of the branch."

2. The last sentence of paragraph (d) of section 3 is amended to read as follows:

"In order to make practicable an orderly rotation of branch directorships, the terms of directors, other than the Managing Director, shall be so arranged that the term of one director appointed by the Board of Governors shall expire at the end of each year and the term of at least one director appointed by the Federal Reserve Bank shall expire at the end of each year."

3. The following new paragraph is inserted before the existing paragraph of section 4:

"(a) Vice President or Other Officer in Charge of Branch.--Subject to the approval of the Board of Governors, a Federal Reserve Bank may discontinue the office of Managing Director of a branch and, in lieu thereof, may designate from time to time a Vice President or other officer of the Federal Reserve Bank as the active manager of the branch. Such Vice President or other officer shall not be a member of the Board of Directors of the branch. The discontinuance of the office of Managing Director shall not of itself have the effect of reducing the number of directors of such branch."

4. The existing paragraph of section 4 is designated as paragraph "(b)" and the first two sentences thereof amended to read as follows:

"Other Officers.--The Federal Reserve Bank shall appoint such officers for each branch, in addition to the active manager of the branch, as the bank from time to time deems necessary. Such officers shall perform such duties as may be prescribed, with the approval of the Federal Reserve Bank, by the Board of Directors of the branch or by the Managing Director or Vice President or other officer in charge."