

Reserve System or of the Federal reserve bank by examiners selected or approved by the Board of Governors of the Federal Reserve System.

(Dec. 23, 1913, ch. 6, §9 (par.), as added June 21, 1917, ch. 32, §3, 40 Stat. 233; amended Aug. 23, 1935, ch. 614, title II, §203(a), 49 Stat. 704.)

CODIFICATION

Section is comprised of the seventh par. of section 9 of act Dec. 23, 1913, as amended. The seventh par. constituted the fifth par. of section 9 in 1917 (40 Stat. 232), became the sixth par. in 1927 (44 Stat. 1229), and became the seventh par. in 1950 (64 Stat. 458). For further details, see Codification note set out under section 321 of this title.

CHANGE OF NAME

Section 203(a) of act Aug. 23, 1935, changed name of Federal Reserve Board to Board of Governors of the Federal Reserve System.

§ 326. Acceptance of examinations and reports by State authorities; special examinations

Whenever the directors of the Federal reserve bank shall approve the examinations made by the State authorities, such examinations and the reports thereof may be accepted in lieu of examinations made by examiners selected or approved by the Board of Governors of the Federal Reserve System: *Provided, however,* That when it deems it necessary the board may order special examinations by examiners of its own selection and shall in all cases approve the form of the report. The expenses of all examinations, other than those made by State authorities, may, in the discretion of the Board of Governors of the Federal Reserve System, be assessed against the banks examined and, when so assessed, shall be paid by the banks examined. The Board of Governors of the Federal Reserve System, at its discretion, may furnish any report of examination or other confidential supervisory information concerning any State member bank or other entity examined under any other authority of the Board, to any Federal or State agency or authority with supervisory or regulatory authority over the examined entity, to any officer, director, or receiver of the examined entity, and to any other person that the Board determines to be proper.

(Dec. 23, 1913, ch. 6, §9 (par.), as added June 21, 1917, ch. 32, §3, 40 Stat. 233; amended June 26, 1930, ch. 611, §1, 46 Stat. 814; Aug. 23, 1935, ch. 614, title II, §203(a), 49 Stat. 704; Pub. L. 106-102, title VII, §727(a), Nov. 12, 1999, 113 Stat. 1475.)

CODIFICATION

Section is comprised of the eighth par. of section 9 of act Dec. 23, 1913, as amended. The eighth par. constituted the sixth par. of section 9 in 1917 (40 Stat. 232), became the seventh par. in 1927 (44 Stat. 1229), and became the eighth par. in 1950 (64 Stat. 458). For further details, see Codification note set out under section 321 of this title.

AMENDMENTS

1999—Pub. L. 106-102 inserted last sentence and struck out former last sentence which read as follows: "Copies of the reports of such examinations may, in the discretion of the Board of Governors of the Federal Reserve System, be furnished to the State authorities having supervision of such banks, to officers, directors, or re-

ceivers of such banks, and to any other proper persons."

1930—Act June 26, 1930, amended next to last sentence and inserted last sentence.

CHANGE OF NAME

Section 203(a) of act Aug. 23, 1935, changed name of Federal Reserve Board to Board of Governors of the Federal Reserve System.

§ 327. Surrender of stock and cancellation of memberships

If at any time it shall appear to the Board of Governors of the Federal Reserve System that a member bank has failed to comply with the provisions of this subchapter, or the regulations of the Board of Governors of the Federal Reserve System made pursuant thereto, or has ceased to exercise banking functions without a receiver or liquidating agent having been appointed therefor, it shall be within the power of the board after hearing to require such bank to surrender its stock in the Federal reserve bank and to forfeit all rights and privileges of membership. The Board of Governors of the Federal Reserve System may restore membership upon due proof of compliance with the conditions imposed by this subchapter.

(Dec. 23, 1913, ch. 6, §9 (par.), 38 Stat. 259; June 21, 1917, ch. 32, §3, 40 Stat. 233; Apr. 23, 1930, ch. 207, §2, 46 Stat. 251; Aug. 23, 1935, ch. 614, title II, §203(a), 49 Stat. 704.)

REFERENCES IN TEXT

This subchapter, referred to in text, was in the original "this section", meaning section 9 of act Dec. 23, 1913, which is classified generally to this subchapter (§321 et seq.).

CODIFICATION

Section is comprised of the ninth par. of section 9 of act Dec. 23, 1913, as amended. The ninth par. constituted the seventh par. of section 9 in 1917 (40 Stat. 232), became the eighth par. in 1927 (44 Stat. 1229), and became the ninth par. in 1950 (64 Stat. 458). For further details, see Codification note set out under section 321 of this title.

AMENDMENTS

1930—Act Apr. 23, 1930, inserted "or has ceased to exercise banking functions without a receiver or liquidating agent having been appointed therefor," to first sentence.

CHANGE OF NAME

Section 203(a) of act Aug. 23, 1935, changed name of Federal Reserve Board to Board of Governors of the Federal Reserve System.

§ 328. Withdrawals from membership

Any State bank or trust company desiring to withdraw from membership in a Federal Reserve bank may do so, after six months' written notice shall have been filed with the Board of Governors of the Federal Reserve System, upon the surrender and cancellation of all of its holdings of capital stock in the Federal reserve bank: *Provided,* That the Board of Governors of the Federal Reserve System, in its discretion and subject to such conditions as it may prescribe, may waive such six months' notice in individual cases and may permit any such State bank or trust company to withdraw from membership in

a Federal reserve bank prior to the expiration of six months from the date of the written notice of its intention to withdraw: *Provided, however,* That no Federal reserve bank shall, except under express authority of the Board of Governors of the Federal Reserve System, cancel within the same calendar year more than 25 per centum of its capital stock for the purpose of effecting voluntary withdrawals during that year. All such applications shall be dealt with in the order in which they are filed with the board. Whenever a member bank shall surrender its stock holdings in a Federal reserve bank, or shall be ordered to do so by the Board of Governors of the Federal Reserve System, under authority of law, all of its rights and privileges as a member bank shall thereupon cease and determine, and after due provision has been made for any indebtedness due or to become due to the Federal reserve bank it shall be entitled to a refund of its cash-paid subscription with interest at the rate of one-half of 1 per centum per month from date of last dividend, if earned, the amount refunded in no event to exceed the book value of the stock at that time, and shall likewise be entitled to repayment of deposits and of any other balance due from the Federal reserve bank.

(Dec. 23, 1913, ch. 6, §9 (par.), as added June 21, 1917, ch. 32, §3, 40 Stat. 233; amended Apr. 17, 1930, ch. 175, 46 Stat. 170; Aug. 23, 1935, ch. 614, title II, §203(a), 49 Stat. 704.)

CODIFICATION

Section is comprised of the tenth par. of section 9 of act Dec. 23, 1913, as amended. The tenth par. constituted the eighth par. of section 9 in 1917 (40 Stat. 232), became the ninth par. in 1927 (44 Stat. 1229), and became the tenth par. in 1950 (64 Stat. 458). For further details, see Codification note set out under section 321 of this title.

AMENDMENTS

1930—Act Apr. 17, 1930, amended part of section preceding second proviso.

CHANGE OF NAME

Section 203(a) of act Aug. 23, 1935, changed name of Federal Reserve Board to Board of Governors of the Federal Reserve System.

§ 329. Capital stock required as condition precedent to membership

No applying bank shall be admitted to membership unless it possesses capital stock and surplus which, in the judgment of the Board of Governors of the Federal Reserve System, are adequate in relation to the character and condition of its assets and to its existing and prospective deposit liabilities and other corporate responsibilities: *Provided,* That no bank engaged in the business of receiving deposits other than trust funds, which does not possess capital stock and surplus in an amount equal to that which would be required for the establishment of a national banking association in the place in which it is located, shall be admitted to membership unless it is, or has been, approved for deposit insurance under the Federal Deposit Insurance Act [12 U.S.C. 1811 et seq.]. The capital stock of a State member bank shall not be reduced except with the prior consent of the Board.

(Dec. 23, 1913, ch. 6, §9 (par.), 38 Stat. 259; June 21, 1917, ch. 32, §3, 40 Stat. 234; Mar. 4, 1923, ch. 252, title IV, §401, 42 Stat. 1478; June 16, 1933, ch. 89, §17(b), 48 Stat. 185; July 15, 1952, ch. 753, §1, 66 Stat. 633.)

REFERENCES IN TEXT

The Federal Deposit Insurance Act, referred to in text, is act Sept. 21, 1950, ch. 967, §2, 64 Stat. 873, as amended, which is classified generally to chapter 16 (§1811 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 1811 of this title and Tables.

CODIFICATION

Section is comprised of the eleventh par. of section 9 of act Dec. 23, 1913, as amended. The eleventh par. constituted the ninth par. of section 9 in 1917 (40 Stat. 232), became the tenth par. in 1927 (44 Stat. 1229), and became the eleventh par. in 1950 (64 Stat. 458). For further details, see Codification note set out under section 321 of this title.

AMENDMENTS

1952—Act July 15, 1952, vested in Board of Governors discretion with respect to admission of State banks to membership.

1933—Act June 16, 1933, dropped alternative method of meeting the capital requirement and inserted proviso.

§ 329a. Omitted

CODIFICATION

Section, act Dec. 23, 1913, ch. 6, §9 (par.), as added Aug. 23, 1935, ch. 614, title II, §202, 49 Stat. 704, related to waiver of the requirements of sections 321 to 338 of this title for admission to membership in the case of a bank which was required to become a member of the Federal Reserve System under a former provision of subsection (y) of former section 264 of this title, which provision was repealed by act June 20, 1939, ch. 214, §2, 53 Stat. 842.

This section was based on the twelfth par. of section 9 of act Dec. 23, 1913, as amended. The twelfth par. constituted the eleventh par. of section 9 when added in 1935, and became the twelfth par. in 1950 (64 Stat. 458). For further details, see Codification note set out under section 321 of this title.

§ 330. Laws applicable on becoming members; discounts for State banks

Banks becoming members of the Federal reserve system under authority of this subchapter shall be subject to the provisions of this subchapter and to those of this chapter which relate specifically to member banks, but shall not be subject to examination under the provisions of sections 481 and 482 of this title. Subject to the provisions of this chapter and to the regulations of the board made pursuant thereto, any bank becoming a member of the Federal reserve system shall retain its full charter and statutory rights as a State bank or trust company, and may continue to exercise all corporate powers granted it by the State in which it was created, and shall be entitled to all privileges of member banks, except that the Board of Governors of the Federal Reserve System may limit the activities of State member banks and subsidiaries of State member banks in a manner consistent with section 1831a of this title. No Federal reserve bank shall be permitted to discount for any State bank or trust company notes, drafts, or bills of exchange of any one borrower who is liable for borrowed money to such State bank or trust