

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.

§ 416. Withdrawal of collateral deposited to protect notes and substitution of other collateral; retirement of notes; payment of notes of series prior to 1928; recovery of collateral; reissue of deposited notes

Any Federal Reserve bank may at its discretion withdraw collateral deposited with the local Federal Reserve agent for the protection of its Federal Reserve notes issued to it, and shall at the same time substitute therefor other collateral of equal amount with the approval of the Federal Reserve agent under regulations to be prescribed by the Board of Governors of the Federal Reserve System. Any Federal Reserve bank may retire any of its Federal Reserve notes by depositing them with the Federal Reserve agent or with the Treasurer of the United States, and such Federal Reserve bank shall thereupon be entitled to receive back the collateral deposited with the Federal Reserve agent for the security of such notes. Any Federal Reserve bank shall further be entitled to receive back the collateral deposited with the Federal Reserve agent for the security of any notes with respect to which such bank has made payment to the Secretary of the Treasury under section 4 of the Old Series Currency Adjustment Act. Federal Reserve notes so deposited shall not be reissued except upon compliance with the conditions of an original issue. (Dec. 23, 1913, ch. 6, § 16 (par.), 38 Stat. 267; June 21, 1917, ch. 32, § 7, 40 Stat. 237; Aug. 23, 1935, ch. 614, title II, § 203(a), 49 Stat. 704; Pub. L. 87-66, § 8(b), June 30, 1961, 75 Stat. 147; Pub. L. 90-269, § 6, Mar. 18, 1968, 82 Stat. 50.)

REFERENCES IN TEXT

Section 4 of the Old Series Currency Adjustment Act, referred to in text, which was classified to section 913 of former Title 31, was repealed by Pub. L. 97-258, § 5(b), Sept. 13, 1982, 96 Stat. 1068, the first section of which enacted Title 31, Money and Finance.

CODIFICATION

Section is comprised of the sixth par. (formerly the seventh par.) of section 16 of act Dec. 23, 1913. For classification to this title of other pars. of section 16, see Codification note set out under section 411 of this title.

AMENDMENTS

1968—Pub. L. 90-269 repealed fourth sentence which provided that Federal Reserve banks shall not be required to maintain the reserve or the redemption fund against Federal Reserve notes which have been retired, or as to which payment has been made to the Secretary of the Treasury under section 4 of the Old Series Currency Adjustment Act, on notes of series prior to 1928.

1961—Pub. L. 87-66 provided for recovery of collateral upon payment of notes of series prior to 1928 and removed requirement of reserve or redemption fund for such notes.

CHANGE OF NAME

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TRANSFER OF FUNCTIONS

For transfer of functions to Secretary of the Treasury, see note set out under section 55 of this title.

§ 417. Custody and safe-keeping of notes issued to and collateral deposited with Reserve agent

All Federal Reserve notes and all gold certificates, Special Drawing Right certificates, and lawful money issued to or deposited with any Federal Reserve agent under the provisions of the Federal Reserve Act shall hereafter be held for such agent, under such rules and regulations as the Board of Governors of the Federal Reserve System may prescribe, in the joint custody of himself and the Federal Reserve bank to which he is accredited. Such agent and such Federal Reserve bank shall be jointly liable for the safe-keeping of such Federal Reserve notes, gold certificates, Special Drawing Right certificates, and lawful money. Nothing herein contained, however, shall be construed to prohibit a Federal Reserve agent from depositing gold certificates and Special Drawing Right certificates with the Board of Governors of the Federal Reserve System, to be held by such Board subject to his order, or with the Treasurer of the United States for the purposes authorized by law.

(June 21, 1917, ch. 32, § 7 (par.), 40 Stat. 238; Jan. 30, 1934, ch. 6, § 2(b)(6), 48 Stat. 339; Aug. 23, 1935, ch. 614, title II, § 203(a), 49 Stat. 704; Pub. L. 90-349, § 5(c), June 19, 1968, 82 Stat. 189.)

REFERENCES IN TEXT

The Federal Reserve Act, referred to in text, is act Dec. 23, 1913, ch. 6, 38 Stat. 251. For complete classification of this Act to the Code, see References in Text note set out under section 226 of this title and Tables.

Hereafter, referred to in text, probably means on and after June 21, 1917.

CODIFICATION

Section is comprised of last par. of section 7 of act June 21, 1917. The preceding pars. of section 7 amended pars. two, three, four, five, six, and seven of section 16 of act Dec. 23, 1913. For classification to this title of section 16, see Codification note set out under section 411 of this title.

AMENDMENTS

1968—Pub. L. 90-349, which directed amendment of “[t]he seventh paragraph of section 16 of the Federal Reserve Act, as amended (12 U.S.C. 417)” by inserting “, Special Drawing Right certificates,” after “gold certificates” in the first sentence, “Special Drawing Right certificates,” after “gold certificates,” in the second sentence, and “and Special Drawing Right certificates” after “gold certificates” in the third sentence, was executed by making the insertions in this section, to reflect the probable intent of Congress.

1934—Act Jan. 30, 1934, which directed general amendment of the eighth par. of section 16 of the Federal Reserve Act, was executed to this section, to reflect the probable intent of Congress. Prior to amendment, text read as follows: “All Federal reserve notes and all gold, gold certificates, and lawful money issued to or deposited with any Federal reserve agent under the provisions of the Federal reserve Act shall hereafter be held for such agent, under such rules and regulations as the Federal Reserve Board may prescribe, in the joint custody of himself and the Federal reserve bank to which he is accredited. Such agent and such Federal reserve bank shall be jointly liable for the safe-keeping of such Federal reserve notes, gold, gold certificates, and lawful money. Nothing herein contained, however, shall be construed to prohibit a Federal reserve agent from depositing gold or gold certificates with the Federal Reserve Board, to be held by such board subject to his