

SUBCHAPTER VI—REDEMPTION AND
REPLACEMENT OF CIRCULATING NOTES

**§ 121. Repealed. Pub. L. 103-325, title VI,
§ 602(f)(4)(B), Sept. 23, 1994, 108 Stat. 2292**

Section, acts June 20, 1874, ch. 343, § 3, 18 Stat. 123; Dec. 23, 1913, ch. 6, § 20, 38 Stat. 271; May 29, 1920, ch. 214, § 1, 41 Stat. 654, provided that every national banking association was to establish reserve in Treasury for redemption of notes by Treasurer of United States, forward notes unfit for use to Treasurer for disposition, and reimburse expenses of Treasury.

**§ 121a. Redemption of notes unidentifiable as to
bank of issue**

Whenever any Federal Reserve bank notes or Federal Reserve notes are presented to the Treasurer of the United States for redemption and such notes cannot be identified as to the bank of issue or the bank through which issued, the Treasurer of the United States may redeem such notes under such rules and regulations as the Secretary of the Treasury may prescribe.

(June 13, 1933, ch. 62, § 1, 48 Stat. 127; Pub. L. 89-427, § 4(a), May 20, 1966, 80 Stat. 161; Pub. L. 103-325, title VI, § 602(g)(8)(A), Sept. 23, 1994, 108 Stat. 2294.)

AMENDMENTS

1994—Pub. L. 103-325, § 602(g)(8)(A)(ii), which directed the amendment of this section by striking out “, and the notes, other than Federal Reserve notes, so redeemed shall be forwarded to the Comptroller of the Currency for cancellation and destruction” after “Treasurer may prescribe”, was executed by striking out text which contained the word “Reserves” rather than “Reserve”, to reflect the probable intent of Congress.

Pub. L. 103-325, § 602(g)(8)(A)(i), substituted “Whenever any Federal Reserve bank notes,” for “Whenever any national-bank notes, Federal Reserve bank notes,”.

1966—Pub. L. 89-427 excepted Federal Reserve notes from the category of notes which, upon redemption by the Treasurer of the United States, must be forwarded to the Comptroller of the Currency for cancellation and destruction.

TRANSFER OF FUNCTIONS

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

**§ 122. Repealed. Pub. L. 97-258, § 5(b), Sept. 13,
1982, 96 Stat. 1068**

Section, act July 14, 1890, ch. 708, § 6, 26 Stat. 289, related to deposits received by the Treasurer from national banks made to redeem circulating notes of such banks and disposition of those deposits.

**§ 122a. Redeemed notes of unidentifiable issue;
funds charged against**

Federal Reserve bank notes redeemed by the Treasurer of the United States under section 121a of this title shall be charged against the balance of deposits for the retirement of Federal Reserve bank notes under the provisions of sections 122 and 445¹ of this title; and charges for Federal Reserve notes redeemed by the Treasurer of the United States under section 121a of this title shall be apportioned among the twelve Federal Reserve banks as determined by the

Board of Governors of the Federal Reserve System.

(June 13, 1933, ch. 62, § 2, 48 Stat. 128; Pub. L. 89-427, § 4(b), May 20, 1966, 80 Stat. 161; Pub. L. 103-325, title VI, § 602(g)(8)(B), Sept. 23, 1994, 108 Stat. 2294.)

REFERENCES IN TEXT

Section 122 of this title, referred to in text, was repealed by Pub. L. 97-258, § 5(b), Sept. 13, 1982, 96 Stat. 1068.

Section 445 of this title, referred to in text, was repealed by act June 12, 1945, ch. 186, § 3, 59 Stat. 238.

AMENDMENTS

1994—Pub. L. 103-325 struck out “National-bank notes and” before “Federal Reserve bank notes redeemed” and “national-bank notes and” after “deposits for the retirement of”.

1966—Pub. L. 89-427 substituted provisions allowing the Board of Governors of the Federal Reserve System to determine the proper apportioning between the Federal Reserve banks of the charges for the redemption by the Treasurer of the United States of Federal Reserve notes that are unidentifiable as to bank of issue for provisions that set out the exact formula for determining the proper apportioning of charges using a proportion based upon the amount of Federal Reserve notes of each Federal Reserve bank in circulation in the 31st day of December of the year preceding the date of redemption, with the amount apportioned under the formula charged by the Treasurer of the United States against deposit in the gold-redemption fund made by the bank or its Federal Reserve agent.

TRANSFER OF FUNCTIONS

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

**§§ 123 to 126. Repealed. Pub. L. 103-325, title VI,
§ 602(e)(12), (13), (f)(4)(C), (6), Sept. 23, 1994,
108 Stat. 2292, 2293**

Section 123, R.S. § 5195; June 20, 1874, ch. 343, § 3, 18 Stat. 123, related to redemption of notes by bank at own counter.

Section 124, R.S. § 5184; June 23, 1874, ch. 455, § 1, 18 Stat. 206, related to destroying and replacing notes unfit for use.

Section 125, act July 28, 1892, ch. 317, 27 Stat. 322, related to redemption of lost or stolen notes.

Section 126, act June 20, 1874, ch. 343, § 8, 18 Stat. 125, related to duty of Treasurer, designated depositaries, and national-bank depositaries of United States to return notes of failed or liquidated banks to Treasury for redemption.

**§ 127. Repealed. Pub. L. 89-554, § 8(a), Sept. 6,
1966, 80 Stat. 633**

Section, act Mar. 3, 1875, ch. 130, § 3, 18 Stat. 399, provided for a clerical force for redemption of circulating notes.

SUBCHAPTER VII—PROCEEDINGS ON FAILURE
OF BANK TO REDEEM CIRCULATING
NOTES

**§§ 131 to 138. Repealed. Pub. L. 103-325, title VI,
§ 602(e)(14)–(21), Sept. 23, 1994, 108 Stat. 2292**

Section 131, R.S. § 5226; June 20, 1874, ch. 343, § 3, 18 Stat. 123, related to protest of notes and waiver of demand and notice of protest.

Section 132, R.S. § 5227, related to appointment by Comptroller of the Currency of special agent to examine failure of national banking association to redeem its circulating notes and provided for forfeiture of asso-

¹ See References in Text note below.

ciation's bonds to United States based on findings of agent.

Section 133, R.S. §5228; Feb. 18, 1875, ch. 80, §1, 18 Stat. 320, prohibited banking associations from continuing in business after default.

Section 134, R.S. §5229, provided that, upon declaration of forfeiture of association's bonds, Comptroller of the Currency was to notify holders of circulating notes to present notes for payment and was authorized to cancel bonds pledged by association.

Section 135, R.S. §5232, related to disposition of redeemed notes and perpetuation of evidence of payment of such notes.

Section 136, R.S. §5233, related to cancellation of redeemed notes.

Section 137, R.S. §5230, provided Comptroller of the Currency with option of selling defaulting association's bonds at auction, rather than cancelling them, and granted United States paramount lien on all association assets in case of deficiencies from such sale.

Section 138, R.S. §5231, related to private sale of defaulting association's bonds by Comptroller of the Currency.

SUBCHAPTER VIII—RESERVE CITIES; LAWFUL RESERVES

§ 141. Omitted

CODIFICATION

Section, R.S. §5191 (part); acts Dec. 23, 1913, ch. 6, §2 (part), 38 Stat. 251; Aug. 23, 1935, ch. 614, title II, §203(a), 49 Stat. 704, which set out a list of reserve and central reserve cities and permitted the Board of Governors of the Federal Reserve System to reclassify, add to, or terminate the designation of such cities, was apparently included in the 1926 ed. of the Code on the basis of authorities other than the source credits. Accordingly, and because the continuing accuracy of the table was doubtful, this section was omitted.

Some of the other provisions of R.S. §5191 are classified to sections 142 and 143 of this title and some were not included in the Code.

For classification of other provisions of section 2 of act Dec. 23, 1913, see Codification note set out under section 222 of this title.

CENTRAL RESERVE AND RESERVE CITIES

Pub. L. 86-114, §3(b), July 28, 1959, 73 Stat. 263, provided that: "Effective three years after the date of the enactment of this Act [July 28, 1959]—

"(1) New York and Chicago are reclassified as reserve cities under the Federal Reserve Act;

"(2) the classification 'central reserve city' under the Federal Reserve Act, and the authority of the Board of Governors of the Federal Reserve System to classify or reclassify cities as 'central reserve cities' under such Act, are terminated;

"(3) section 5192 of the Revised Statutes of the United States (12 U.S.C., sec. 144) is amended by striking out 'central reserve or';

"(4) section 2 of the Act of March 3, 1887 (ch. 378; 24 Stat. 560) is repealed;

"(5) the last paragraph of section 2 of the Federal Reserve act (12 U.S.C., sec. 224) is amended by striking out 'and central reserve cities';

"(6) section 11(e) of the Federal Reserve Act (12 U.S.C., sec. 248e) is amended by striking out 'and central reserve' each place it appears;

"(7) the third paragraph (lettered (a)) of section 19 of the Federal Reserve Act (12 U.S.C., sec. 462) is amended by striking out 'or central reserve';

"(8) the fifth paragraph (lettered (c)) of such section 19 is repealed;

"(9) subparagraph (2) of the sixth paragraph of such section 19 (as added by the first section of this Act) is amended by striking out 'and a member bank in a central reserve city may hold and maintain the reserve balances which are in effect under this section for member banks described in paragraph (a) or (b).';

"(10) the seventh paragraph of such section 19 is amended by striking out clauses (1), (2), (3), and (4) and inserting in lieu thereof the following: '(1) by member banks in reserve cities, (2) by member banks not in reserve cities, or (3) by all member banks'; and

"(11) the seventh paragraph of such section is further amended by striking out 'and central reserve cities'."

§ 142. Banks in reserve cities; reserves

National banking associations located in reserve cities or central reserve cities shall maintain reserves provided for in section 462 of this title for banks so located.

(R.S. §5191 (part); Dec. 23, 1913, ch. 6, §§19, 27, 38 Stat. 270, 274; Aug. 4, 1914, ch. 225, 38 Stat. 682; Aug. 15, 1914, ch. 252, 38 Stat. 691; June 21, 1917, ch. 32, §10, 40 Stat. 239.)

REFERENCES IN TEXT

Section 462 of this title, referred to in text, was omitted from the Code. See section 461 of this title.

CODIFICATION

R.S. §5191 derived from act June 3, 1864, ch. 106, §31, 13 Stat. 108, which was the National Bank Act, and act Mar. 1, 1872, ch. 22, 17 Stat. 32. See section 38 of this title.

Some of the other provisions of R.S. §5191 were classified to section 141 of this title prior to its omission from the Code, some are classified to section 143 of this title, and some were not included in the Code.

TERMINATION OF CENTRAL RESERVE CITIES

Central reserve cities terminated, see section 3(b) of Pub. L. 86-114 set out as a note under former section 141 of this title.

§ 143. Banks in Alaska and insular possessions; lawful money reserves

Every national banking association located in Alaska or in a dependency or insular possession or any part of the United States outside of the continental United States, and not a member of the Federal reserve system, shall at all times have on hand in lawful money of the United States an amount equal to at least 15 percent of the aggregate amount of its deposits in all respects. Whenever the lawful money of any such association shall fall below 15 percent of its deposits such association shall not increase its liabilities by making any new loans or discounts other than by discounting or purchasing bills of exchange payable at sight nor make any dividends of its profits until the required proportion between the aggregate amount of its deposits and its lawful money of the United States has been restored. And the Comptroller of the Currency shall notify any such association whose lawful money reserve shall be below the amount required to be kept on hand to make good such reserve, and if such association shall fail for thirty days thereafter so to make good its lawful money the Comptroller may, with the concurrence of the Secretary of the Treasury, appoint a receiver to wind up the business of the association as provided in section 192 of this title.

(R.S. §5191 (part).)

CODIFICATION

R.S. §5191 derived from act June 3, 1864, ch. 106, §31, 13 Stat. 108, which was the National Bank Act, and act