

par. constituted the nineteenth par. of section 9 in 1933 (48 Stat. 165), became the twentieth par. in 1935 (49 Stat. 704), and became the twenty-first par. in 1950 (64 Stat. 458). For further details, see Codification notes set out under sections 321 and 329a of this title.

AMENDMENTS

1935—Act Aug. 23, 1935, among other changes, inserted proviso.

§ 337. Repealed. Pub. L. 89-485, § 13(g), July 1, 1966, 80 Stat. 243

Section, act Dec. 23, 1913, ch. 6, § 9 (par.), as added June 16, 1933, ch. 89, § 5(c), 48 Stat. 166, required agreements of State member banks with holding company affiliates to be subject to voting restrictions and to provide for forfeiture of membership on failure to file agreement.

This section was comprised of the twenty-second par. of section 9 of act Dec. 23, 1913, as amended. The twenty-second par. constituted the twentieth par. of section 9 when added in 1933, became the twenty-first par. in 1935 (49 Stat. 704), and became the twenty-second par. in 1950 (64 Stat. 458). For further details, see Codification notes set out under sections 321 and 329a of this title.

§ 338. Examination of affiliates; forfeiture of membership on refusal of affiliate to give information or pay expense

In connection with examinations of State member banks, examiners selected or approved by the Board of Governors of the Federal Reserve System shall make such examinations of the affairs of all affiliates of such banks as shall be necessary to disclose fully the relations between such banks and their affiliates and the effect of such relations upon the affairs of such banks. The expense of examination of affiliates of any State member bank may, in the discretion of the Board of Governors of the Federal Reserve System, be assessed against such bank and, when so assessed, shall be paid by such bank. In the event of the refusal to give any information requested in the course of the examination of any such affiliate, or in the event of the refusal to permit such examination, or in the event of the refusal to pay any expenses so assessed, the Board of Governors of the Federal Reserve System may, in its discretion, require any or all State member banks affiliated with such affiliate to surrender their stock in the Federal Reserve bank and to forfeit all rights and privileges of membership in the Federal Reserve System, as provided in this subchapter.

(Dec. 23, 1913, ch. 6, § 9 (par.), as added June 16, 1933, ch. 89, § 5(c), 48 Stat. 166; amended 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 twenty-second par. of section 9 of act Dec. 23, 1913, as amended. The twenty-second par. constituted the twenty-first par. of section 9 in 1933 (48 Stat. 166), became the twenty-second par. in 1935 (49 Stat. 704), and became the twenty-third par. in 1950 (64 Stat. 458), and became the twenty-second par. in 1966 (80 Stat. 243). For further details, see Codifica-

tion notes set out under sections 321 and 329a 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.

§ 338a. Investments to promote public welfare and community development; limitation on investments

A State member bank may make investments directly or indirectly, each of which is designed primarily to promote the public welfare, including the welfare of low- and moderate-income communities or families (such as by providing housing, services, or jobs), to the extent permissible under State law. A State member bank shall not make any such investment if the investment would expose the State member bank to unlimited liability. The Board shall limit a State member bank's investment in any 1 project and a State member bank's aggregate investments under this paragraph. The aggregate amount of investments of any State member bank under this paragraph may not exceed an amount equal to the sum of 5 percent of the State member bank's capital stock actually paid in and unimpaired and 5 percent of the State member bank's unimpaired surplus, unless the Board determines, by order, that a higher amount will pose no significant risk to the affected deposit insurance fund; and the State member bank is adequately capitalized. In no case shall the aggregate amount of investments of any State member bank under this paragraph exceed an amount equal to the sum of 15 percent of the State member bank's capital stock actually paid in and unimpaired and 15 percent of the State member bank's unimpaired surplus. The foregoing standards and limitations apply to investments under this paragraph made by a State member bank directly and by its subsidiaries.

(Dec. 23, 1913, ch. 6, § 9(23), formerly § 9 (par.), as added Pub. L. 102-485, § 6(b), Oct. 23, 1992, 106 Stat. 2774; amended Pub. L. 104-208, div. A, title II, § 2704(d)(8), Sept. 30, 1996, 110 Stat. 3009-489; Pub. L. 109-171, title II, § 2102(b), Feb. 8, 2006, 120 Stat. 9; Pub. L. 109-173, § 9(b), Feb. 15, 2006, 119 Stat. 3616; renumbered § 9(23) and amended Pub. L. 109-351, title III, § 305(b), Oct. 13, 2006, 120 Stat. 1971; Pub. L. 110-289, div. B, title V, § 2503(b), July 30, 2008, 122 Stat. 2857.)

CODIFICATION

Section is comprised of par. (23) (the twenty-third par.) of section 9 of act Dec. 23, 1913, as amended. For further details, see Codification note set out under section 321 of this title.

AMENDMENTS

2008—Pub. L. 110-289, which directed substitution of "is designed primarily to promote the public welfare, including the welfare of" for "promotes the public welfare by benefitting primarily" in first sentence, was executed by making the substitution for "promotes the public welfare by benefitting primarily" to reflect the probable intent of Congress.

2006—Pub. L. 109-351 amended section generally. Prior to amendment, section read as follows: "State member banks may make investments designed primarily to