

(e) Regulations**(1) In general**

The Board may prescribe regulations to administer and carry out the purposes of this section, including—

(A) regulations to further define terms used in this section; and

(B) subject to paragraph (2), if the Board finds that an exemption or exclusion is in the public interest and is consistent with the purposes of this section, and notifies the Federal Deposit Insurance Corporation of such finding, regulations to—

(i) exempt transactions or relationships from the requirements of this section; and

(ii) exclude any subsidiary of a bank holding company from the definition of affiliate for purposes of this section.

(2) Exception

The Board may grant an exemption or exclusion under this subsection only if, during the 60-day period beginning on the date of receipt of notice of the finding from the Board under paragraph (1)(B), the Federal Deposit Insurance Corporation does not object, in writing, to such exemption or exclusion, based on a determination that the exemption presents an unacceptable risk to the Deposit Insurance Fund.

(Dec. 23, 1913, ch. 6, § 23B, as added Pub. L. 100–86, title I, § 102(a), Aug. 10, 1987, 101 Stat. 564; amended Pub. L. 106–102, title VII, § 738, Nov. 12, 1999, 113 Stat. 1480; Pub. L. 111–203, title VI, § 608(b), July 21, 2010, 124 Stat. 1610.)

AMENDMENTS

2010—Subsec. (e). Pub. L. 111–203, § 608(b)(1)–(4), designated existing provisions as par. (1) and inserted heading, redesignated former pars. (1) and (2) as subpars. (A) and (B), respectively, of par. (1), redesignated former subpars. (A) and (B) of par. (2) as cls. (i) and (ii), respectively, of par. (1)(B), realigned margins, and struck out concluding provisions which read as follows: “if the Board finds such exemptions or exclusions are in the public interest and are consistent with the purposes of this section.”

Subsec. (e)(1)(B). Pub. L. 111–203, § 608(b)(5)(A), inserted “subject to paragraph (2), if the Board finds that an exemption or exclusion is in the public interest and is consistent with the purposes of this section, and notifies the Federal Deposit Insurance Corporation of such finding,” before “regulations” in introductory provisions.

Subsec. (e)(1)(B)(ii). Pub. L. 111–203, § 608(b)(5)(B), substituted period for comma at end.

Subsec. (e)(2). Pub. L. 111–203, § 608(b)(6), added par. (2).

1999—Subsec. (b)(2). Pub. L. 106–102 amended text of par. (2) generally. Prior to amendment, text read as follows: “Subparagraph (B) of paragraph (1) shall not apply if the purchase or acquisition of such securities has been approved, before such securities are initially offered for sale to the public, by a majority of the directors of the bank who are not officers or employees of the bank or any affiliate thereof.”

EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111–203 effective 1 year after the transfer date, see section 608(d) of Pub. L. 111–203, set out as a note under section 371c of this title.

§ 371d. Investment in bank premises or stock of corporation holding premises**(a) Conditions of investment**

No national bank or State member bank shall invest in bank premises, or in the stock, bonds, debentures, or other such obligations of any corporation holding the premises of such bank, or make loans to or upon the security of any such corporation—

(1) unless the bank receives the prior approval of the Comptroller of the Currency (with respect to a national bank) or the Board (with respect to a State member bank);

(2) unless the aggregate of all such investments and loans, together with the amount of any indebtedness incurred by any such corporation that is an affiliate of the bank, is less than or equal to the amount of the capital stock of such bank; or

(3) unless—

(A) the aggregate of all such investments and loans, together with the amount of any indebtedness incurred by any such corporation that is an affiliate of the bank, is less than or equal to 150 percent of the capital and surplus of the bank; and

(B) the bank—

(i) has a CAMEL composite rating of 1 or 2 under the Uniform Financial Institutions Rating System (or an equivalent rating under a comparable rating system) as of the most recent examination of such bank;

(ii) is well capitalized and will continue to be well capitalized after the investment or loan; and

(iii) provides notification to the Comptroller of the Currency (with respect to a national bank) or to the Board (with respect to a State member bank) not later than 30 days after making the investment or loan.

(b) Definitions

For purposes of this section—

(1) the term “affiliate” has the same meaning as in section 221a of this title; and

(2) the term “well capitalized” has the same meaning as in section 1831o(b) of this title.

(Dec. 23, 1913, ch. 6, § 24A, as added June 16, 1933, ch. 89, § 14, 48 Stat. 184; amended Aug. 23, 1935, ch. 614, title II, § 203(a), 49 Stat. 704; June 30, 1954, ch. 434, § 2, 68 Stat. 358; Pub. L. 104–208, div. A, title II, § 2206, Sept. 30, 1996, 110 Stat. 3009–405.)

AMENDMENTS

1996—Pub. L. 104–208 inserted section catchline and amended text generally. Prior to amendment, text read as follows: “No national bank, without the approval of the Comptroller of the Currency, and no State member bank, without the approval of the Board of Governors of the Federal Reserve System, shall (1) invest in bank premises, or in the stock, bonds, debentures, or other such obligations of any corporation holding the premises of such bank, or (2) make loans to or upon the security of the stock of any such corporation, if the aggregate of all such investments and loans, together with the amount of any indebtedness incurred by any such corporation which is an affiliate of the bank, as defined in section 221a of this title, will exceed the amount of the capital stock of such bank.”

1954—Act June 30, 1954, inserted “together with the amount of any indebtedness incurred by any such cor-

poration which is an affiliate of the bank, as defined in section 221a 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.

EXCEPTION AS TO TRANSFER OF FUNCTIONS

Functions vested by any provision of law in Comptroller of the Currency, referred to in this section, not included in transfer of functions to Secretary of the Treasury, see note set out under section 1 of this title.

§ 372. Bankers' acceptances

(a) Institutions; drafts and bills of exchange; types

Any member bank and any Federal or State branch or agency of a foreign bank subject to reserve requirements under section 3105 of this title (hereinafter in this section referred to as “institutions”), may accept drafts or bills of exchange drawn upon it having not more than six months' sight to run, exclusive of days of grace—

- (i) which grow out of transactions involving the importation or exportation of goods;
- (ii) which grow out of transactions involving the domestic shipment of goods; or
- (iii) which are secured at the time of acceptance by a warehouse receipt or other such document conveying or securing title covering readily marketable staples.

(b) Ratio limit of bills to unimpaired capital stock and surplus

Except as provided in subsection (c), no institution shall accept such bills, or be obligated for a participation share in such bills, in an amount equal at any time in the aggregate to more than 150 per centum of its paid up and unimpaired capital stock and surplus or, in the case of a United States branch or agency of a foreign bank, its dollar equivalent as determined by the Board under subsection (h).

(c) Authorization for special ratio limit; foreign banks

The Board, under such conditions as it may prescribe, may authorize, by regulation or order, any institution to accept such bills, or be obligated for a participation share in such bills, in an amount not exceeding at any time in the aggregate 200 per centum of its paid up and unimpaired capital stock and surplus or, in the case of a United States branch or agency of a foreign bank, its dollar equivalent as determined by the Board under subsection (h).

(d) Ratio limit for domestic transactions

Notwithstanding subsections (b) and (c), with respect to any institution, the aggregate acceptances, including obligations for a participation share in such acceptances, growing out of domestic transactions shall not exceed 50 per centum of the aggregate of all acceptances, including obligations for a participation share in such acceptances, authorized for such institution under this section.

(e) Ratio limit for single entity; foreign banks; security

No institution shall accept bills, or be obligated for a participation share in such bills,

whether in a foreign or domestic transaction, for any one person, partnership, corporation, association or other entity in an amount equal at any time in the aggregate to more than 10 per centum of its paid up and unimpaired capital stock and surplus, or, in the case of a United States branch or agency of a foreign bank, its dollar equivalent as determined by the Board under subsection (h), unless the institution is secured either by attached documents or by some other actual security growing out of the same transaction as the acceptance.

(f) Exception for participation agreements

With respect to an institution which issues an acceptance, the limitations contained in this section shall not apply to that portion of an acceptance which is issued by such institution and which is covered by a participation agreement sold to another institution.

(g) Definitions by Board

In order to carry out the purposes of this section, the Board may define any of the terms used in this section, and, with respect to institutions which do not have capital or capital stock, the Board shall define an equivalent measure to which the limitations contained in this section shall apply.

(h) Dollar equivalent of foreign bank paid-up capital stock and surplus

Any limitation or restriction in this section based on paid-up and unimpaired capital stock and surplus of an institution shall be deemed to refer, with respect to a United States branch or agency of a foreign bank, to the dollar equivalent of the paid-up capital stock and surplus of the foreign bank, as determined by the Board, and if the foreign bank has more than one United States branch or agency, the business transacted by all such branches and agencies shall be aggregated in determining compliance with the limitation or restriction.

(Dec. 23, 1913, ch. 6, § 13 (par.), 38 Stat. 264; Mar. 3, 1915, ch. 93, 38 Stat. 958; Sept. 7, 1916, ch. 461, 39 Stat. 752; June 21, 1917, ch. 32, § 5, 40 Stat. 235; Aug. 23, 1935, ch. 614, title II, § 203(a), 49 Stat. 704; Pub. L. 97-290, title II, § 207, Oct. 8, 1982, 96 Stat. 1239.)

REFERENCES IN TEXT

Section 3105 of this title, referred to in subsec. (a), was in the original a reference to section 7 of the International Banking Act of 1978, Pub. L. 95-369, Sept. 17, 1978, 92 Stat. 620, which enacted sections 347d and 3105 of this title.

CODIFICATION

Section is comprised of the seventh par. of section 13 of act Dec. 23, 1913, as amended. The seventh par. constituted the fifth par. of section 13 in 1916 (39 Stat. 752), became the sixth par. in 1923 (42 Stat. 1478), and became the seventh par. in 1932 (47 Stat. 715). For further details, see Codification notes under sections 343 and 344 of this title. For classification to this title of other pars. of section 13, see Codification note set out under section 342 of this title.

The seventh par. of section 13 of the Federal Reserve Act [this section] as amended in 1982 by Pub. L. 97-290 contained lettered subpars. (A) through (H). For purposes of codification those lettered subpars. (A) through (H) have been translated as subsecs. (a) through (h), “paragraph” has been translated as “sec-