

(Pub. L. 104-208, div. A, title II, §2227, Sept. 30, 1996, 110 Stat. 3009-417.)

SUBCHAPTER III—FEDERAL ADVISORY
COUNCIL

Editorial Notes

CODIFICATION

Section was enacted as part of the Economic Growth and Regulatory Paperwork Reduction Act of 1996, and also as part of the Omnibus Consolidated Appropriations Act, 1997, and not as part of the Federal Reserve Act which comprises this chapter.

Statutory Notes and Related Subsidiaries

TRANSFER OF FUNCTIONS

Functions vested in Administrator of National Credit Union Administration transferred and vested in National Credit Union Administration Board pursuant to section 1752a of this title.

STUDY OF FINANCIAL MODERNIZATION'S EFFECT ON THE
ACCESSIBILITY OF SMALL BUSINESS AND FARM LOANS

Pub. L. 106-102, title I, §109, Nov. 12, 1999, 113 Stat. 1362, provided that:

“(a) STUDY.—The Secretary of the Treasury, in consultation with the Federal banking agencies (as defined in section 3(z) of the Federal Deposit Insurance Act [12 U.S.C. 1813(z)]), shall conduct a study of the extent to which credit is being provided to and for small businesses and farms, as a result of this Act [see Tables for classification] and the amendments made by this Act.

“(b) REPORT.—Before the end of the 5-year period beginning on the date of the enactment of this Act [Nov. 12, 1999], the Secretary, in consultation with the Federal banking agencies, shall submit a report to the Congress on the study conducted pursuant to subsection (a) and shall include such recommendations as the Secretary determines to be appropriate for administrative and legislative action.”

DEFINITIONS

Pub. L. 104-208, div. A, title II, §2001(c), Sept. 30, 1996, 110 Stat. 3009-397, provided that: “Except as otherwise specified in this title [see Tables for classification], the following definitions shall apply for purposes of this title:

“(1) APPRAISAL SUBCOMMITTEE.—The term ‘Appraisal Subcommittee’ means the Appraisal Subcommittee established under section 1011 of the Federal Financial Institutions Examination Council Act of 1978 [12 U.S.C. 3310] (as in existence on the day before the date of enactment of this Act [Sept. 30, 1996]).

“(2) APPROPRIATE FEDERAL BANKING AGENCY.—The term ‘appropriate Federal banking agency’ has the same meaning as in section 3 of the Federal Deposit Insurance Act [12 U.S.C. 1813].

“(3) BOARD.—The term ‘Board’ means the Board of Governors of the Federal Reserve System.

“(4) CORPORATION.—The term ‘Corporation’ means the Federal Deposit Insurance Corporation.

“(5) COUNCIL.—The term ‘Council’ means the Financial Institutions Examination Council established under section 1004 of the Federal Financial Institutions Examination Council Act of 1978 [12 U.S.C. 3303].

“(6) INSURED CREDIT UNION.—The term ‘insured credit union’ has the same meaning as in section 101 of the Federal Credit Union Act [12 U.S.C. 1752].

“(7) INSURED DEPOSITORY INSTITUTION.—The term ‘insured depository institution’ has the same meaning as in section 3 of the Federal Deposit Insurance Act.”

§ 261. Creation; membership; compensation; meetings; officers; procedure; quorum; vacancies

There is created a Federal Advisory Council, which shall consist of as many members as there are Federal reserve districts. Each Federal reserve bank by its board of directors shall annually select from its own Federal reserve district one member of said council, who shall receive such compensation and allowances as may be fixed by his board of directors subject to the approval of the Board of Governors of the Federal Reserve System. The meetings of said advisory council shall be held at Washington, District of Columbia, at least four times each year, and oftener if called by the Board of Governors of the Federal Reserve System. The council may in addition to the meetings above provided for hold such other meetings in Washington, District of Columbia, or elsewhere, as it may deem necessary, may select its own officers and adopt its own methods of procedure, and a majority of its members shall constitute a quorum for the transaction of business. Vacancies in the council shall be filled by the respective reserve banks, and members selected to fill vacancies shall serve for the unexpired term.

(Dec. 23, 1913, ch. 6, §12 (par.), 38 Stat. 263; Aug. 23, 1935, ch. 614, title II, §203(a), 49 Stat. 704.)

Editorial Notes

CODIFICATION

Section is comprised of first par. of section 12 of act Dec. 23, 1913. Second par. of section 12 is classified to section 262 of this title.

Statutory Notes and Related Subsidiaries

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.

§ 262. Powers

The Federal Advisory Council shall have power, by itself or through its officers, (1) to confer directly with the Board of Governors of the Federal Reserve System on general business conditions; (2) to make oral or written representations concerning matters within the jurisdiction of said board; (3) to call for information and to make recommendations in regard to discount rates, rediscount business, note issues, reserve conditions in the various districts, the purchase and sale of gold or securities by reserve banks, open-market operations by said banks, and the general affairs of the reserve banking system.

(Dec. 23, 1913, ch. 6, §12 (par.), 38 Stat. 263; Aug. 23, 1935, ch. 614, title II, §203(a), 49 Stat. 704.)

Editorial Notes

CODIFICATION

Section is comprised of second par. of section 12 of act Dec. 23, 1913. First par. of section 12 is classified to section 261 of this title.

Statutory Notes and Related Subsidiaries

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.

SUBCHAPTER IV—FEDERAL OPEN MARKET COMMITTEE

§ 263. Federal Open Market Committee; creation; membership; regulations governing open-market transactions

(a) There is hereby created a Federal Open Market Committee (hereinafter referred to as the "Committee"), which shall consist of the members of the Board of Governors of the Federal Reserve System and five representatives of the Federal Reserve banks to be selected as hereinafter provided. Such representatives shall be presidents or first vice presidents of Federal Reserve banks and, beginning with the election for the term commencing March 1, 1943, shall be elected annually as follows: One by the board of directors of the Federal Reserve Bank of New York, one by the boards of directors of the Federal Reserve Banks of Boston, Philadelphia, and Richmond, one by the boards of directors of the Federal Reserve Banks of Cleveland and Chicago, one by the boards of directors of the Federal Reserve Banks of Atlanta, Dallas, and St. Louis, and one by the boards of directors of the Federal Reserve Banks of Minneapolis, Kansas City, and San Francisco. In such elections each board of directors shall have one vote; and the details of such elections may be governed by regulations prescribed by the committee, which may be amended from time to time. An alternate to serve in the absence of each such representative shall likewise be a president or first vice president of a Federal Reserve bank and shall be elected annually in the same manner. The meetings of said Committee shall be held at Washington, District of Columbia, at least four times each year upon the call of the chairman of the Board of Governors of the Federal Reserve System or at the request of any three members of the Committee.

(b) No Federal Reserve bank shall engage or decline to engage in open-market operations under sections 348a and 353 to 359 of this title except in accordance with the direction of and regulations adopted by the Committee. The Committee shall consider, adopt, and transmit to the several Federal Reserve banks, regulations relating to the open-market transactions of such banks.

(c) The time, character, and volume of all purchases and sales of paper described in sections 348a and 353 to 359 of this title as eligible for open-market operations shall be governed with a view to accommodating commerce and business and with regard to their bearing upon the general credit situation of the country.

(Dec. 23, 1913, ch. 6, §12A, as added June 16, 1933, ch. 89, §8, 48 Stat. 168; amended Aug. 23, 1935, ch. 614, title II, §205, 49 Stat. 705; July 7, 1942, ch. 488, §1, 56 Stat. 647.)

Editorial Notes

AMENDMENTS

1942—Subsec. (a). Act July 7, 1942, substituted second, third, and fourth sentences for former second and third sentences.

1935—Act Aug. 23, 1935, amended provisions relating to membership in subsec. (a), substituted "Committee" for "Federal Reserve Board" and "Board" in subsec. (b), and omitted subsec. (d).

SUBCHAPTER V—FEDERAL DEPOSIT INSURANCE CORPORATION

§ 264. Transferred**Editorial Notes**

CODIFICATION

Section, act Dec. 23, 1913, ch. 6, §12B, as added June 16, 1933, ch. 89, §8, 48 Stat. 168; amended June 16, 1934, ch. 546, §1 (1)-(10), 48 Stat. 969, 970; June 28, 1935, ch. 335, 49 Stat. 435; Aug. 23, 1935, ch. 614, title I, §101, 49 Stat. 684; Apr. 21, 1936, ch. 244, 49 Stat. 1237; May 25, 1938, ch. 276, 52 Stat. 442; June 16, 1938, ch. 489, 52 Stat. 767; June 20, 1939, ch. 214, §2, 53 Stat. 842; Apr. 13, 1943, ch. 62, §1, 57 Stat. 65; Aug. 5, 1947, ch. 492, §§2, 4, 61 Stat. 773; June 25, 1948, ch. 645, §21, 62 Stat. 862; Oct. 15, 1949, ch. 695, §4, 63 Stat. 880; Aug. 17, 1950, ch. 729, §§5-7, 64 Stat. 457, relating to the Federal Deposit Insurance Corporation, was withdrawn from the Federal Reserve Act and made a separate act to be known as the Federal Deposit Insurance Act, by section 1 of act Sept. 21, 1950, ch. 967, 64 Stat. 873. The Federal Deposit Insurance Act is classified to chapter 16 (§1811 et seq.) of this title.

§ 265. Insured banks as depositaries of public money; duties; security; discrimination between banks prohibited; repeal of inconsistent laws

All insured banks designated for that purpose by the Secretary of the Treasury shall be depositaries of public money of the United States (including, without being limited to, revenues and funds of the United States, and any funds the deposit of which is subject to the control or regulation of the United States or any of its officers, agents, or employees, and Postal Savings funds), and the Secretary is authorized to deposit public money in such depositaries, under such regulations as may be prescribed by the Secretary; and they may also be employed as financial agents of the Government; and they shall perform all such reasonable duties, as depositaries of public money and financial agents of the Government as may be required of them. The Secretary of the Treasury shall require of the insured banks thus designated satisfactory security by the deposit of United States bonds or otherwise, for the safekeeping and prompt payment of public money deposited with them and for the faithful performance of their duties as financial agents of the Government: *Provided*, That no such security shall be required for the safekeeping and prompt payment of such parts of the deposits of the public money in such banks as are insured deposits and each officer, employee, or agent of the United States having official custody of public funds and lawfully depositing the same in an insured bank shall, for the purpose of determining the amount of the insured deposits, be deemed a depositor in such custodial capacity separate and distinct from any other officer, employee, or agent of the United States having of-