§ 208.50 Authority, purpose, and scope.


(b) Purpose and scope. This subpart E prescribes standards for real estate lending to be used by member banks in adopting internal real estate lending policies. The standards applicable to appraisals rendered in connection with federally related transactions entered into by member banks are set forth in 12 CFR part 225, subpart G (Regulation Y).

§ 208.51 Real estate lending standards.

(a) Adoption of written policies. Each state bank that is a member of the Federal Reserve System shall adopt and maintain written policies that establish appropriate limits and standards for extensions of credit that are secured by liens on or interests in real estate, or that are made for the purpose of financing permanent improvements to real estate.

(b) Requirements of lending policies. (1) Real estate lending policies adopted pursuant to this section shall be:

(1) Consistent with safe and sound banking practices;

(2) Appropriate to the size of the institution and the nature and scope of its operations; and

(3) Reviewed and approved by the bank’s board of directors at least annually.

(2) The lending policies shall establish:

(1) Loan portfolio diversification standards;
§ 208.61 Bank security procedures.

(a) Authority, purpose, and scope. Pursuant to section 3 of the Bank Protection Act of 1966 (12 U.S.C. 1862), member banks are required to adopt appropriate security procedures to discourage robberies, burglaries, and larcenies, and to assist in the identification and prosecution of persons who commit such acts. It is the responsibility of the member bank’s board of directors to comply with the provisions of this section and ensure that a written security program for the bank’s main office and branches is developed and implemented.

(b) Designation of security officer. Upon becoming a member of the Federal Reserve System, a member bank’s board of directors shall designate a security officer who shall have the authority, subject to the approval of the board of directors, to develop, within a reasonable time, but no later than 180 days, and to administer a written security program for each banking office.

(c) Security program. (1) The security program shall:

(i) Establish procedures for opening and closing for business and for the safekeeping of all currency, negotiable securities, and similar valuables at all times;

(ii) Establish procedures that will assist in identifying persons committing crimes against the institution and that will preserve evidence that may aid in their identification and prosecution. Such procedures may include, but are not limited to: maintaining a camera that records activity in the banking office; using identification devices, such as prerecorded serial-numbered bills, or chemical and electronic devices; and retaining a record of any robbery, burglary, or larceny committed against the bank;

(iii) Provide for initial and periodic training of officers and employees in their responsibilities under the security program and in proper employee conduct during and after a burglary, robbery, or larceny; and

(iv) Provide for selecting, testing, operating, and maintaining appropriate security devices, as specified in paragraph (c)(2) of this section.