

Public Law 86-671

July 14, 1960
[H. R. 12465]

AN ACT

To provide for a simpler method of determining assessments under the Federal Deposit Insurance Act, and for other purposes.

Federal Deposit
Insurance Act,
amendment.
64 Stat. 874.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (1) of section 3 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1813(1)), is amended to read as follows:

“(1) The term ‘deposit’ means—

“(1) the unpaid balance of money or its equivalent received or held by a bank in the usual course of business and for which it has given or is obligated to give credit, either conditionally or unconditionally, to a commercial, checking, savings, time, or thrift account, or which is evidenced by its certificate of deposit, or a check or draft drawn against a deposit account and certified by the bank, or a letter of credit or a traveler’s check on which the bank is primarily liable: *Provided*, That, without limiting the generality of the term ‘money or its equivalent’, any such account or instrument must be regarded as evidencing the receipt of the equivalent of money when credited or issued in exchange for checks or drafts or for a promissory note upon which the person obtaining any such credit or instrument is primarily or secondarily liable, or for a charge against a deposit account, or in settlement of checks, drafts, or other instruments forwarded to such bank for collection,

“(2) trust funds as defined in this Act received or held by such bank, whether held in the trust department or held or deposited in any other department of such bank,

“(3) money received or held by a bank, or the credit given for money or its equivalent received or held by a bank, in the usual course of business for a special or specific purpose, regardless of the legal relationship thereby established, including without being limited to, escrow funds, funds held as security for an obligation due to the bank or others (including funds held as dealers reserves) or for securities loaned by the bank, funds deposited by a debtor to meet maturing obligations, funds deposited as advance payment on subscriptions to United States Government securities, funds held for distribution or purchase of securities, funds held to meet its acceptances or letters of credit, and withheld taxes: *Provided*, That there shall not be included funds which are received by the bank for immediate application to the reduction of an indebtedness to the receiving bank, or under condition that the receipt thereof immediately reduces or extinguishes such an indebtedness,

“(4) outstanding draft (including advice or authorization to charge bank’s balance in another bank), cashier’s check, money order, or other officer’s check issued in the usual course of business for any purpose, including without being limited to those issued in payment for services, dividends, or purchases, and

“(5) such other obligations of a bank as the Board of Directors, after consultation with the Comptroller of the Currency and the Board of Governors of the Federal Reserve System, shall find and prescribe by regulation to be deposit liabilities by general usage: *Provided further*, That any obligation of a bank which is payable only at an office of the bank located outside of the States of the United States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands, shall not be a deposit for any of

the purposes of this Act or be included as part of total deposits or of an insured deposit."

SEC. 2. Subsections (a), (b), and (c) of section 7 of the Federal Deposit Insurance Act (12 U.S.C. 1817 (a), (b), and (c)) are amended to read as follows:

"(a) (1) Each insured State nonmember bank (except a District bank) shall make to the Corporation reports of condition which shall be in such form and shall contain such information as the Board of Directors may require. Such reports shall be made to the Corporation on the dates selected as provided in paragraph (3) of this subsection and the deposit liabilities shall be reported therein in accordance with and pursuant to paragraphs (4) and (5) of this subsection. The Board of Directors may call for additional reports of condition on dates to be fixed by it and may call for such other reports as the Board may from time to time require. The Board of Directors may require reports of condition to be published in such manner, not inconsistent with any applicable law, as it may direct. Every such bank which fails to make or publish any such report within ten days shall be subject to a penalty of not more than \$100 for each day of such failure recoverable by the Corporation for its use.

State nonmember
banks.
Reports.

"(2) The Corporation shall have access to reports of examination made by, and reports of condition made to, the Comptroller of the Currency or any Federal Reserve bank and to all revisions of reports of condition made to either of them, and they shall promptly advise the Corporation of any revisions or changes in respect to deposit liabilities made or required to be made in any report of condition. The Corporation may accept any report made by or to any commission, board, or authority having supervision of a State nonmember bank (except a District bank), and may furnish to the Comptroller of the Currency, or any Federal Reserve bank, and to any such commission, board, or authority, reports of examinations made on behalf of, and reports of condition made to, the Corporation.

"(3) Each insured State nonmember bank (except a District bank) shall make to the Corporation, each insured national bank and each insured District bank shall make to the Comptroller of the Currency, and each insured State member bank shall make to the Federal Reserve bank of which it is a member, four reports of condition annually upon dates which shall be selected by the Chairman of the Board of Directors, the Comptroller of the Currency, and the Chairman of the Board of Governors of the Federal Reserve System, or a majority thereof. The dates selected shall be the same for all insured banks, except that when any of said reporting dates is a nonbusiness day for any bank, the preceding business day shall be its reporting date. Two dates shall be selected within the semi-annual period of January to June inclusive, and the reports on such dates shall be the basis for the certified statement to be filed in July pursuant to subsection (c) of this section, and two dates shall be selected within the semiannual period of July to December inclusive, and the reports on such dates shall be the basis for the certified statement to be filed in January pursuant to subsection (c) of this section. The deposit liabilities shall be reported in said reports of condition in accordance with and pursuant to paragraphs (4) and (5) of this subsection, and such other information shall be reported therein as may be required by the respective agencies. Each said report of condition shall contain a declaration by the president, a vice president, the cashier or the treasurer, or by any other officer designated by the board of directors or trustees of the reporting bank to make such declaration, that the report is true and correct to the best of his knowledge and belief. The correctness of said report of con-

dition shall be attested by the signatures of at least three of the directors or trustees of the reporting bank other than the officer making such declaration, or by at least two if there are not more than three directors or trustees, with the declaration that the report has been examined by them and to the best of their knowledge and belief is true and correct. At the time of making said reports of condition each insured national, District and State member bank shall furnish to the Corporation a copy thereof containing such signed declaration and attestations. Nothing herein shall preclude any of the foregoing agencies from requiring the banks under its jurisdiction to make additional reports of condition at any time.

“(4) In the reports of condition required to be made by paragraph (3) of this subsection, each insured bank shall report the total amount of the liability of the bank for deposits in the main office and in any branch located in any State of the United States, the District of Columbia, any Territory of the United States, Puerto Rico, Guam, or the Virgin Islands, according to the definition of the term ‘deposit’ in and pursuant to subsection (1) of section 3 of this Act, without any deduction for indebtedness of depositors or creditors or any deduction for cash items in the process of collection drawn on others than the reporting bank: *Provided*, That the bank in reporting such deposits may (i) subtract from the deposit balance due to any bank the deposit balance due from the same bank (other than trust funds deposited by either bank) and any cash items in the process of collection due from or due to such banks shall be included in determining such net balance, except that balances of time deposits of any bank and any balances standing to the credit of private banks, of banks in foreign countries, of foreign branches of other American banks, and of American branches of foreign banks shall be reported gross without any such subtraction, and (ii) exclude any deposits received in any office of the bank for deposit in any other office of the bank: *And provided further*, That outstanding drafts (including advices and authorizations to charge bank’s balance in another bank) drawn in the regular course of business by the reporting bank on banks need not be reported as deposit liabilities. The amount of trust funds held in the bank’s own trust department, which the reporting bank keeps segregated and apart from its general assets and does not use in the conduct of its business, shall not be included in the total deposits in such reports, but shall be separately stated in such reports.

“(5) The deposits to be reported on such reports of condition shall be segregated between (i) time and savings deposits and (ii) demand deposits. For this purpose and for the computation of assessments provided in subsection (b) of this section, the time and savings deposits shall consist of time certificates of deposit, time deposits-open account, deposits accumulated for the payment of personal loans, and savings deposits; and demand deposits shall consist of all deposits other than time and savings deposits.

“(6) The Board of Directors, after consultation with the Comptroller of the Currency and the Board of Governors of the Federal Reserve System, may by regulation define the terms ‘cash items’ and ‘process of collection’, and shall classify deposits as ‘time’, ‘savings’, and ‘demand’ deposits, for the purposes of this section.

“(b) (1) The annual assessment rate shall be one-twelfth of 1 per centum. Except as provided in subsection (c) (2) of this section, the semiannual assessment due from any insured bank for any semiannual period shall be equal to one-half the annual assessment rate multiplied by such bank’s average assessment base for the immediately preceding semiannual period.

"(2) For the purposes of this section the term 'semiannual period' means a period beginning on January 1 of any calendar year and ending on June 30 of the same year, or a period beginning on July 1 of any calendar year and ending on December 31 of the same year.

"(3) A bank's average assessment base for any semiannual period shall be the average of such bank's assessment bases for the two dates, falling within such semiannual period, for which the bank is required to submit reports of condition pursuant to paragraph (3) of subsection (a) of this section (referred to hereafter in this section as 'reports of condition').

"(4) A bank's assessment base for any date shall be equal to the bank's liability for deposits (including the deposits of any other bank for which it has assumed liability) as reported in its report of condition for such date, plus the assessment base additions set forth in paragraph (5), and less the assessment base deductions set forth in paragraph (6).

"(5) The assessment base additions shall be the amounts of—

"(A) uninvested trust funds required to be separately stated in the bank's report of condition; and

"(B) any deposits received in any office of the bank for deposit in any other office of the bank located in the United States, the District of Columbia, Puerto Rico, Guam, or the Virgin Islands, except those which have been included in deposits in the report of condition or which have been offset in the report of condition by an equal amount of cash items in its possession drawn on itself (on the same type of deposit as those offset) and not charged against deposit liabilities at the close of business on the date as of which the report of condition is made, either in their actual amount as shown on the books of the bank, or, if not so shown, in an amount determined by means of an experience factor pursuant to regulations prescribed by the Board of Directors.

"(6) The assessment base deductions shall be the amounts of—

"(A) cash items in the bank's possession, drawn on itself, which have not been charged against deposit liabilities at the close of business on the date as of which the report of condition is made, either in their actual amount as shown on the books of the bank, or, if not so shown, in an amount determined by means of an experience factor pursuant to regulations prescribed by the Board of Directors;

"(B) deposits included in reported deposit liabilities which are accumulated for the payment of personal loans and are assigned or pledged to assure repayment of the loans at maturity;

"(C) 1 per centum of the bank's adjusted time and savings deposits (as defined in paragraph (7)); and

"(D) $16\frac{2}{3}$ per centum of the bank's adjusted demand deposits (as defined in paragraph (8)).

Each insured bank, as a condition to the right to make any such deduction in determining its assessment base, shall maintain such records as will readily permit verification of the correctness of its assessment base. No insured bank shall be required to retain such records for such purpose for a period in excess of five years from the date of the filing of any certified statement, except that when there is a dispute between the insured bank and the Corporation over the amount of any assessment the bank shall retain such records until final determination of the issue.

"(7) The term 'the bank's adjusted time and savings deposits' means the amount of the bank's time and savings deposits as reported in its report of condition, as adjusted—

“(A) either by adding the amount of all deposits of the type described in subparagraph (5) (B) or, if the bank elects to ascertain the respective amounts of such deposits creditable to time and savings deposits and to demand deposits, by adding the amount creditable to time and savings deposits;

“(B) by subtracting, if the bank elects to ascertain the respective amounts of its items of the type described in subparagraph (6) (A) chargeable against time and savings deposits and against demand deposits, the amount chargeable against time and savings deposits; and

“(C) by subtracting the amount of all deposits of the type described in subparagraph (6) (B).

“(8) The term ‘the bank’s adjusted demand deposits’ means the amount of the bank’s demand deposits as reported in its report of condition, as adjusted—

“(A) by adding the amount of all deposits of the type described in subparagraph (5) (A);

“(B) by adding, if the bank elects to ascertain the respective amounts of its deposits of the type described in subparagraph (5) (B) creditable to time and savings deposits and to demand deposits, the amount creditable to demand deposits; and

“(C) either by subtracting the amount of all items of the type described in subparagraph (6) (A), or, if the bank elects to ascertain the respective amounts of such items chargeable against time and savings deposits and against demand deposits, by subtracting the amount chargeable against demand deposits.

“(c) (1) On or before the last day of the first month following each semiannual period, each insured bank which became insured prior to the beginning of such period shall file with the Corporation a certified statement showing its average assessment base for such period, and the amount of the semiannual assessment due to the Corporation for the semiannual period which begins with such month. Each such bank shall pay to the Corporation the amount of the semiannual assessment it is required to certify.

“(2) A bank shall not be required to pay any assessment for the semiannual period in which it becomes an insured bank. On or before the last day of the first month following the semiannual period during which any bank becomes an insured bank, such bank shall—

“(A) file with the Corporation a certified statement showing, as its assessment base for such period, its assessment base for the last date, if any, within such period for which it was required to submit a report of condition, or

“(B) if such bank became an insured bank after the last date in such period for which a report of condition was required, such bank shall make a special report of condition as of the last day of such semiannual period, and shall file with the Corporation a certified statement showing, as its assessment base for such period, its assessment base for the date of such special report.

The semiannual assessment due from such bank for the semiannual period which begins with such month shall be equal to one-half the annual assessment rate multiplied by the assessment base computed pursuant to subparagraph (A) or (B) of this paragraph, and the amount of such assessment shall be shown on such certified statement. Each such bank shall pay to the Corporation the amount of the semiannual assessment it is required to certify.

“(3) The certified statements required to be filed with the Corporation under paragraphs (1) and (2) of this subsection shall be in such form and set forth such supporting information as the Board

of Directors shall prescribe and shall be certified by the president of the bank or any other officer designated by its board of directors or trustees that to the best of his knowledge and belief the statement is true, correct and complete and in accordance with the Federal Deposit Insurance Act and regulations issued thereunder. The assessment payments required from insured banks under paragraphs (1) and (2) of this subsection shall be made in such manner and at such time or times as the Board of Directors shall prescribe, provided the time or times so prescribed shall not be later than sixty days after filing the certified statement setting forth the amount of assessment.

"(4) Except as otherwise provided in this section, the Board of Directors shall prescribe all needful rules and regulations for the enforcement of this section. The Board of Directors may limit the retroactive effect, if any, of any of its rules or regulations."

Rules and regulations.

SEC. 3. Section 7 of the Federal Deposit Insurance Act (12 U.S.C. 1817) is amended by substituting for the date "December 31, 1950" in subsection (d) the date "December 31, 1961"; by substituting for the numerical figure "40" in subsection (d) the numerical figure "33 $\frac{1}{3}$ "; by substituting for the words "fails to file" in subsection (f) the words "fails to make any report of condition under subsection (a) of this section or to file"; by substituting for the words "file such statement" in subsection (f) the words "make such report or file such statement"; by substituting for the word "filed" in the first sentence of subsection (g) the words "made any such report of condition under subsection (a) of this section or filed"; by substituting for the words "to file" in the first sentence of subsection (g) the words "to make any such report or file"; by substituting for the words "to file" in the first sentence of subsection (h) the words "to make any report of condition under subsection (a) of this section or to file"; and by substituting for the words "in its trust or deposited in any other department or in another bank" in the first sentence of subsection (i) the words "in its trust department or held or deposited in any other department of the fiduciary bank" and by striking the words after the colon in the second sentence and substituting a period for said colon.

SEC. 4. Section 10 of the Federal Deposit Insurance Act (12 U.S.C. 1820) is amended by striking out subsections (e) and (f) thereof and relettering subsection (g) as subsection (e).

SEC. 5. (a) Section 5211 of the Revised Statutes of the United States (12 U.S.C. 161) is amended by striking out the first paragraph thereof and inserting in lieu of such paragraph the following:

"(a) Every association shall make reports of condition to the Comptroller of the Currency in accordance with the Federal Deposit Insurance Act. The Comptroller of the Currency may call for additional reports of condition, in such form and containing such information as he may prescribe, on dates to be fixed by him, and may call for special reports from any particular association whenever in his judgment the same are necessary for his use in the performance of his supervisory duties. Each report of condition shall contain a declaration by the president, a vice president, the cashier, or by any other officer designated by the board of directors of the bank to make such declaration, that the report is true and correct to the best of his knowledge and belief. The correctness of the report of condition shall be attested by the signatures of at least three of the directors of the bank other than the officer making such declaration, with the declaration that the report has been examined by them and to the best of their knowledge and belief is true and correct. Each report shall exhibit in detail and under appropriate heads the resources and lia-

Reports to Comptroller of Currency.

bilities of the association at the close of business on any past day specified by the Comptroller, and shall be transmitted to the Comptroller within ten days after the receipt of a request therefor from him; and the statement of resources and liabilities in the same form in which it is made to the Comptroller shall be published in a newspaper published in the place where such association is established, or if there is no newspaper in the place, then in the one published nearest thereto in the same county, at the expense of the association, and such proof of publication shall be furnished as may be required by the Comptroller. Special reports called for by the Comptroller need contain only such information as is specified by the Comptroller in his request therefor, and publication of such reports need be made only if directed by the Comptroller.

“(b) Every association shall make to the Comptroller reports of the payment of dividends, including advance reports of dividends proposed to be declared or paid in such cases and under such conditions as the Comptroller deems necessary to carry out the purposes of the laws relating to national banking associations in such form and at such times as he may require.”

(b) The paragraph which, prior to the amendments made by this Act, was the second paragraph of such section, is amended (1) by inserting “(c)” at the beginning thereof, and (2) by striking out “three” in the first sentence and inserting “four” in lieu thereof.

21 Stat. 352.

SEC. 6. The Act of February 26, 1881, entitled “An Act defining the verification of returns of national banks” (12 U.S.C. 162) is repealed.

Effective date.

SEC. 7. The amendments made by this Act shall take effect on January 1, 1961, except that the certified statements covering the semiannual period ending December 31, 1960, and the determination and payment of assessments (for the semiannual period ending June 30, 1961) required to be certified in such statements, shall be made as if such amendments were not in effect.

Approved July 14, 1960.

Public Law 86-672

July 14, 1960
[H. R. 10511]

AN ACT

To grant an additional benefit to persons receiving cash relief under the Panama Canal Cash Relief Act of July 8, 1937.

Panama Canal
employees.
Relief payments.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That each person who, on or after the date of enactment of this Act, is receiving, or becomes entitled to receive, payment of cash relief under authority of the Act entitled “An Act authorizing cash relief for certain employees of the Panama Canal not coming within the provisions of the Canal Zone Retirement Act”, approved July 8, 1937 (50 Stat. 478), as amended by the Act of February 20, 1954 (68 Stat. 17), shall receive an additional payment of cash relief in the amount of \$10 per month. Such payment shall be in addition to any payments received under such Act of July 8, 1937, as amended, and shall be made without regard to any limitations contained in such Act.

Effective date.

SEC. 2. This Act shall take effect on the first day of the month in which it is enacted.

Approved July 14, 1960.