

stock, and that the bank is to be liquidated and is not to be permitted to resume business or to reorganize.

§ 209.10 Other closed State member banks.

Whenever a State member bank ceases to exercise banking functions without being placed in liquidation in accordance with the laws of the State in which it is located and without a receiver⁹ appointed for it, and such bank has not within sixty days of the cessation of banking functions applied for withdrawal from membership in the Federal Reserve System as provided in part 208 of this chapter (Regulation H), the Federal Reserve Bank of the district in which such State member bank is located will furnish the Board of Governors of the Federal Reserve System with full information with reference to the facts involved in the case and with a definite recommendation as to whether the Board should require the State member bank to surrender its Federal Reserve Bank stock and terminate all rights and privileges of membership in the Federal Reserve System. Upon receipt of this advice, if termination of membership of the State member bank appears desirable, the Board will give the member bank notice of the date upon which a hearing will be held to determine whether its membership should be terminated. If, after such hearing, the membership of a State bank is terminated, the Board will direct the Federal Reserve Bank of the Federal Reserve district in which the member bank is located to cancel the Federal Reserve Bank stock as of the date of termination of membership and adjust accounts in the manner described in § 209.5(b).

§ 209.11 Voluntary withdrawal from membership.

Any State member bank desiring to withdraw from membership in the Federal Reserve System shall follow the procedure set forth in part 208 of this chapter (Regulation H), and when all applicable requirements of § 208.10 of

⁹ The term *receiver* includes any person, commission, or other agency charged by law with the duty of winding up the affairs of the bank.

this chapter have been complied with the Federal Reserve Bank will cancel the Federal Reserve Bank stock held by the member bank as of the date of withdrawal from membership and will adjust accounts in the manner described in § 209.5(b).

§ 209.12 Involuntary termination of membership.

Any State member bank whose membership has been terminated for failure to comply with the provisions of the Federal Reserve Act or regulations of the Board of Governors of the Federal Reserve System shall surrender its Federal Reserve Bank stock as of the date membership is terminated and accounts will be adjusted in the manner described in § 209.5(b).

§ 209.13 Cancellation of old and issue of new stock certificate.

(a) Whenever a member bank changes its name it shall surrender to the Federal Reserve Bank the certificate of Federal Reserve Bank stock which was issued to it under its old name. If the Federal Reserve Bank has or is furnished with proof of the change of name, it will cancel the certificate so surrendered and will issue in lieu thereof to and in the name of the member bank surrendering it a new certificate for the number of shares represented by the certificate so surrendered.

(b) If a member bank has filed application for an increase or decrease in its holdings of Federal Reserve Bank stock pursuant to the provisions of § 209.3, or has acquired the Federal Reserve Bank stock from another Bank by virtue of a merger or consolidation of the kind described in § 209.5(a), it shall surrender the stock certificate previously issued to it and the certificate representing any stock so acquired, and the Federal Reserve Bank will issue a new certificate for the number of shares represented by the surrendered certificate or certificates decreased by the number of shares canceled or increased by the number of additional shares to be issued.

(c) In order to provide a convenient means for identifying shares of Federal Reserve Bank stock purchased and paid for prior to March 28, 1942, as to which

dividends are not subject to Federal taxation, the Federal Reserve Bank will endorse on the back of the stock certificate an appropriate notation setting forth the number of shares represented which were purchased and paid for prior to March 28, 1942, and the number of shares purchased and paid for on or after that date. In lieu of issuing a single certificate, the Federal Reserve Bank may issue two certificates to each member bank holding both classes of stock, one representing stock purchased and paid for prior to March 28, 1942, and the other representing stock purchased and paid for on or after that date, in which case the former will be endorsed to read: "This certificate represents shares of Federal Reserve Bank stock which were purchased and paid for prior to March 28, 1942." No endorsement will be necessary on the latter certificate.

§ 209.14 Forms.

All forms referred to in this part and all such forms as they may be amended from time to time shall be a part of the regulation contained in this part.

§ 209.15 Location of bank.

(a) *General rule.* For purposes of this part, a national bank or a state bank is located in the Federal Reserve District that contains the location specified in the bank's charter or organizing certificate, or, if no such location is specified, the location of its head office, unless otherwise determined by the Board under paragraph (b) of this section.

(b) *Board determination.* If the location of a bank as specified in paragraph (a) of this section, in the Board's judgment, is ambiguous, would impede the ability of the Board or the Federal Reserve Banks to perform their functions under the Federal Reserve Act, or would impede the ability of the bank to operate efficiently, the Board will determine the Federal Reserve District in which the bank is located, after consultation with the bank and the relevant Federal Reserve Banks. The relevant Federal Reserve Banks are the Federal Reserve Bank whose District contains the location specified in the paragraph (a) of this section and the Federal Reserve Bank in whose District the bank is proposed to be lo-

cated. In making this determination, the Board will consider any applicable laws, the business needs of the bank, the location of the bank's head office, the locations where the bank performs its business, and the locations that would allow the bank, the Board, and the Federal Reserve Banks to perform their functions efficiently and effectively.

[Reg. I, 62 FR 34616, June 27, 1997]

PART 210—COLLECTION OF CHECKS AND OTHER ITEMS BY FEDERAL RESERVE BANKS AND FUNDS TRANSFERS THROUGH FEDWIRE (REGULATION J)

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APPENDIX A TO SUBPART B—COMMENTARY
APPENDIX B TO SUBPART B—ARTICLE 4A,
FUNDS TRANSFERS