

uals, partnerships, or corporations shall be subject to such limitations, restrictions, and regulations as the Board of Governors of the Federal Reserve System may prescribe.

(Dec. 23, 1913, ch. 6, § 13 (pars.), 38 Stat. 263; Sept. 7, 1916, ch. 461, 39 Stat. 752; Mar. 4, 1923, ch. 252, title IV, § 402, 42 Stat. 1478; July 21, 1932, ch. 520, § 210, 47 Stat. 715; Aug. 23, 1935, ch. 614, title II, § 203(a), title III, § 322, 49 Stat. 704, 714; Pub. L. 102-242, title IV, § 473, Dec. 19, 1991, 105 Stat. 2386.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original "this Act", meaning act Dec. 23, 1913, ch. 6, 38 Stat. 251, known as the Federal Reserve Act. For complete classification of this Act to the Code, see References in Text note set out under section 226 of this title and Tables.

CODIFICATION

Section is comprised of the second and third pars. of section 13 of act Dec. 23, 1913, as amended. The act of Mar. 4, 1923, split the second par. of section 13, as amended in 1916 (39 Stat. 752), into two pars., the first of which constitutes the first par. of this section and the second as section 344 of this title. The act of July 21, 1932, added the second par. of this section which was designated to follow the second par. of section 13. For classification to this title of other pars. of section 13, see Codification note set out under section 342 of this title.

AMENDMENTS

1991—Pub. L. 102-242 struck out "of the kinds and maturities made eligible for discount for member banks under other provisions of this chapter" after first reference to "bills of exchange" in second par.

1935—Act Aug. 23, 1935, § 322, substituted words immediately preceding proviso for "indorsed and otherwise secured to the satisfaction of the Federal reserve bank."

1932—Act July 21, 1932, added second par.

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.

§ 344. Discount or purchase of bills to finance agricultural shipments

Upon the indorsement of any of its member banks, which shall be deemed a waiver of demand, notice, and protest by such bank as to its own indorsement exclusively, and subject to regulations and limitations to be prescribed by the Board of Governors of the Federal Reserve System, any Federal reserve bank may discount or purchase bills of exchange payable at sight or on demand which grow out of the domestic shipment or the exportation of nonperishable, readily marketable agricultural and other staples and are secured by bills of lading or other shipping documents conveying or securing title to such staples: *Provided*, That all such bills of exchange shall be forwarded promptly for collection, and demand for payment shall be made with reasonable promptness after the arrival of such staples at their destination: *Provided further*, That no such bill shall in any event be held by or for the account of a Federal reserve bank for a period in excess of ninety days. In discounting such bills Federal reserve banks may compute the interest to be deducted on the basis

of the estimated life of each bill and adjust the discount after payment of such bills to conform to the actual life thereof.

(Dec. 23, 1913, ch. 6, § 13 (par.), as added Mar. 4, 1923, ch. 252, title IV, § 402, 42 Stat. 1479; amended May 29, 1928, ch. 884, 45 Stat. 975; Aug. 23, 1935, ch. 614, title II, § 203(a), 49 Stat. 704.)

CODIFICATION

Section is comprised of the fourth par. of section 13 of act Dec. 23, 1913, as amended. The act of Mar. 4, 1923, split the second par. of section 13, as amended in 1916 (39 Stat. 752), into two pars., the first of which constitutes the first par. of section 343 of this title and the second as this section, making it the third par. of section 13. However, the third par. became the fourth par. when act July 21, 1932, added a new par. to follow the second par. For further details, see Codification note set out under section 343 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.

AMENDMENTS

1928—Act May 29, 1928, amended part of first sentence preceding proviso.

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.

§ 345. Rediscount of notes, drafts, and bills for member banks; limitation of amount

The aggregate of notes, drafts, and bills upon which any person, copartnership, association, or corporation is liable as maker, acceptor, indorser, drawer, or guarantor, rediscounted for any member bank, shall at no time exceed the amount for which such person, copartnership, association, or corporation may lawfully become liable to a national banking association under the terms of section 84 of this title: *Provided, however*, That nothing in this section shall be construed to change the character or class of paper now eligible for rediscount by Federal reserve banks.

(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; Apr. 12, 1930, ch. 140, 46 Stat. 162.)

CODIFICATION

Section is comprised of the fifth par. of section 13 of act Dec. 23, 1913, as amended. The fifth par. constituted the third par. of section 13 in 1916 (39 Stat. 752), became the fourth par. in 1923 (42 Stat. 1478), and became the fifth par. in 1932 (47 Stat. 715). For further details, see Codification notes set out 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.

AMENDMENTS

1930—Act Apr. 12, 1930, among other changes, inserted proviso.

§ 346. Discount of acceptances

Any Federal reserve bank may discount acceptances of the kinds hereinafter described, which have a maturity at the time of discount of not more than ninety days' sight, exclusive of days of grace, and which are indorsed by at least one member bank: *Provided*, That such acceptances if drawn for an agricultural purpose and

secured at the time of acceptance by warehouse receipts or other such documents conveying or securing title covering readily marketable staples may be discounted with a maturity at the time of discount of not more than six months' sight exclusive of days of grace.

(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; Mar. 4, 1923, ch. 252, title IV, §403, 42 Stat. 1479.)

REFERENCES IN TEXT

Words "hereinafter described" are from the sixth par. of section 13 of the Federal Reserve Act, see Codification note below. Reference could be to acceptances described in the remaining paragraphs of section 13, which are contained in sections 82, 347, 347c, and 372 of this title, or to acceptances described in subsequent sections of the Federal Reserve Act, sections 14 et seq. of act Dec. 23, 1913.

CODIFICATION

Section is comprised of the sixth par. of section 13 of act Dec. 23, 1913, as amended. The sixth par. constituted the fourth par. of section 13 in 1916 (39 Stat. 752), became the fifth par. in 1923 (42 Stat. 1478), and became the sixth 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.

§ 347. Advances to member banks on their notes

Any Federal reserve bank may make advances for periods not exceeding fifteen days to its member banks on their promissory notes secured by the deposit or pledge of bonds, notes, certificates of indebtedness, or Treasury bills of the United States, or by the deposit or pledge of debentures or other such obligations of Federal intermediate credit banks which are eligible for purchase by Federal reserve banks under section 350 of this title, or by the deposit or pledge of bonds issued under the provisions of subsection (c) of section 1463¹ of this title; and any Federal reserve bank may make advances for periods not exceeding ninety days to its member banks on their promissory notes secured by such notes, drafts, bills of exchange, or bankers' acceptances as are eligible for rediscount or for purchase by Federal reserve banks under the provisions of this chapter or secured by such obligations as are eligible for purchase under section 355 of this title. All such advances shall be made at rates to be established by such Federal reserve banks, such rates to be subject to the review and determination of the Board of Governors of the Federal Reserve System. If any member bank to which any such advance has been made shall, during the life or continuance of such advance, and despite an official warning of the reserve bank of the district or of the Board of Governors of the Federal Reserve System to the contrary, increase its outstanding loans secured by collateral in the form of stocks, bonds, debentures, or other such obligations, or loans made to members of any organized stock exchange, investment house, or dealer in securities, upon any obligation, note, or bill, secured or unsecured, for the purpose of

purchasing and/or carrying stocks, bonds, or other investment securities (except obligations of the United States) such advance shall be deemed immediately due and payable, and such member bank shall be ineligible as a borrower at the reserve bank of the district under the provisions of this section for such period as the Board of Governors of the Federal Reserve System shall determine: *Provided*, That no temporary carrying or clearance loans made solely for the purpose of facilitating the purchase or delivery of securities offered for public subscription shall be included in the loans referred to in this section.

(Dec. 23, 1913, ch. 6, §13 (par.), as added Sept. 7, 1916, ch. 461, 39 Stat. 753; amended May 19, 1932, ch. 191, §6, 47 Stat. 160; May 12, 1933, ch. 25, title II, §28, 48 Stat. 46; June 16, 1933, ch. 89, §9, 48 Stat. 180; Jan. 31, 1934, ch. 7, §16(a), 48 Stat. 348; Apr. 27, 1934, ch. 168, §7(a), 48 Stat. 646; Aug. 23, 1935, ch. 614, title II, §203(a), 49 Stat. 704; Pub. L. 87-353, §3(c), Oct. 4, 1961, 75 Stat. 773; Pub. L. 90-505, §3(a), Sept. 21, 1968, 82 Stat. 856.)

REFERENCES IN TEXT

Section 1463 of this title, referred to in text, was repealed by Pub. L. 89-554, §8(a), Sept. 6, 1966, 80 Stat. 648.

This chapter, referred to in text, was in the original "this Act", meaning act Dec. 23, 1913, ch. 6, 38 Stat. 251, known as the Federal Reserve Act. For complete classification of this Act to the Code, see References in Text note set out under section 226 of this title and Tables.

CODIFICATION

Section is comprised of the eighth par. of section 13 of act Dec. 23, 1913, as amended. The eighth par. constituted the sixth par. of section 13 in 1916 (39 Stat. 752, 753), became the seventh par. in 1923 (42 Stat. 1478), and became the eighth 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.

AMENDMENTS

1968—Pub. L. 90-505 added promissory notes of members banks secured by such obligations as are eligible for purchase under section 355 of this title to the list of types of promissory notes of member banks on which the Federal reserve bank may make advances for periods not exceeding 90 days.

1961—Pub. L. 87-353 struck out provision authorizing any Federal reserve bank to make advances to its member banks on their promissory notes secured by the deposit or pledge of Federal Farm Mortgage Corporation bonds issued under the Federal Farm Mortgage Corporation Act.

1934—Act Apr. 27, 1934, inserted first phrase preceding the semicolon in first sentence.

Act Jan. 31, 1934, inserted second phrase preceding the semicolon in first sentence.

1933—Act June 16, 1933, amended section generally.

Act May 12, 1933, added Federal farm-loan bonds as security for advances.

1932—Act May 19, 1932, inserted clause in first sentence which begins "or by the deposit or pledge of debentures".

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.

¹ See References in Text note below.