

**SAVINGS DEPARTMENTS
OF NATIONAL BANKS
AND REAL ESTATE LOANS**

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Savings Departments of National Banks and Real Estate Loans by Various

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VARIOUS

**SAVINGS DEPARTMENTS
OF NATIONAL BANKS
AND REAL ESTATE LOANS**

U. S. NATIONAL MONETARY COMMISSION

SAVINGS DEPARTMENTS
OF
NATIONAL BANKS
AND
REAL ESTATE LOANS

SUMMARY OF REPLIES
FROM BANK OFFICERS
RELATING THERETO



WASHINGTON
1911

45/4/1/033 x

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SAVINGS DEPARTMENTS OF NATIONAL BANKS AND REAL ESTATE LOANS.

In view of the questionable accuracy of available statistics in relation to the volume of savings deposits in national banks and the operation of savings departments by these institutions and for the purpose of obtaining more accurate data in the future, together with the views of bankers generally with respect to the desirability of amendments to the national bank act authorizing the establishment in national banks of savings departments and the investment of a definite portion of their funds in loans secured by mortgages or other liens on realty, a circular letter was sent to every national bank under date of October 9, in which the desired information was requested. Copy of the circular follows:

FORM OF CIRCULAR LETTER SENT TO THE BANKS.

TREASURY DEPARTMENT,
Washington, October 9, 1911.

To the cashier:

For the information of this Department and of the Commission having under consideration amendments to the national banking laws, the data hereafter indicated, as shown by the books of your bank as of October 14, 1911, are desired. Please answer all direct questions either "Yes" or "No." All other questions should be answered fully. You are respectfully requested to send in your report to the Comptroller promptly after the date indicated, and on the accompanying form, under cover of the inclosed postage-free envelope.

Yours, very respectfully,

LAWRENCE O. MURRAY,
Comptroller of the Currency.

National Monetary Commission

Charter No. (Location).....
 (State).....

To the COMPTROLLER OF THE CURRENCY,
 Washington, D. C.

Reply to your inquiry of October 9:

	"Yes" or "No."
1. Does your bank receive savings deposits?	
If so, is your savings department operated as a separate division, with separate books, etc.?	
Is your savings department operated in the same room with the commercial department?	
Are your savings deposits subject to with- drawal by check?	
Or only upon presentation of pass books?	
Or only upon surrender of certificates of deposit?	
Do your regulations provide for notice of with- drawals?	
If so, do you enforce such regulations?	
2. Would you favor an amendment to the law allowing national banks to invest a certain percentage of their deposits in real estate mortgages?	
If so, what per cent? Please answer fully. A.	
3. Would you favor an amendment to the law specific- ally authorizing the establishment of savings departments in national banks?	
4. Would you favor restricting real estate loans to a certain percentage of the deposits in such savings department?	
If so, to what percentage? A.	
5. Would you favor the segregation of savings deposits and the restriction of their investment as pro- vided by the mutual savings bank laws of certain States?	

..... National Bank of

....., Cashier.

Savings deposits may be defined as deposits (a) which may be withdrawn only on presentation of the pass book or other similar form of receipt which permits successive deposits or withdrawals to be entered thereon; or (b) which at the option of the bank may be withdrawn only at the expiration of a stated period after notice of intention to withdraw has been given; or (c) upon which no interest is allowed until the funds have remained on deposit for at least three months.

Savings Departments of National Banks

ABSTRACT OF REPLIES RECEIVED.

The replies received were accompanied in a number of instances with a letter entering fully into the subject, and while many national banks are so situated as to confine their business to strictly local lines, they recognize the fact that banks otherwise situated are surrounded by a class of customers requiring accommodations on collateral other than that ordinarily handled by commercial banks; that is, mortgages or other liens on realty.

An abstract of the replies has been made, a summary of which is as follows:

Result of inquiries submitted to the national banks on Oct. 9, 1911.

Banks to which questions were sent.....	7,301
Banks replying to questions.....	6,813
Banks not replying.....	488
<i>Question 1.—Does your bank receive savings deposits?</i>	
The number receiving savings deposits is approximately 51 per cent of all the national banks, or.....	3,502
Of the 3,502 receiving savings deposits, the number that operate this department as a separate division is.....	2,289
The number of national banks operating the savings department in the same room with the commercial department is.....	3,416
Deposits in savings departments are subject to withdrawal by check from bank in.....	810
The presentation of pass books is required in.....	2,329
Surrendered certificates of deposit is required in.....	1,959
Of the 3,502 banks receiving deposits, the regulations provide for notice of withdrawal in.....	2,062
The regulations are enforced, however, in only.....	462
<i>Question 2.—Would you favor an amendment to the law, allowing national banks to invest a certain percentage of their deposits in real estate?</i>	
The number of national banks favoring an amendment to the law, allowing banks to invest a certain percentage of their deposits in real estate is 81 per cent, or.....	5,543
Of this number, an average of 25 per cent of all deposits was favored by.....	4,928
The number of banks not favoring such an amendment is 17 per cent, or.....	1,186