

**Executive Documents****EXCEPTION AS TO TRANSFER OF FUNCTIONS**

Functions vested by any provision of law in Comptroller of the Currency, referred to in this section, not included in transfer of functions to Secretary of the Treasury, see note set out under section 1 of this title.

**§ 65. Repealed. Pub. L. 86-230, § 8, Sept. 8, 1959, 73 Stat. 457**

Section, acts June 30, 1876, ch. 156, § 2, 19 Stat. 63; Sept. 3, 1954, ch. 1263, § 22, 68 Stat. 1234, related to enforcement of shareholders' individual liability by creditors on liquidation. Limitation on liability of shareholders, see section 64a of this title.

**§ 66. Personal liability of representatives of stockholders**

Persons holding stock as executors, administrators, guardians, or trustees, shall not be personally subject to any liabilities as stockholders; but the estates and funds in their hands shall be liable in like manner and to the same extent as the testator, intestate, ward, or person interested in such trust funds would be, if living and competent to act and hold the stock in his own name.

(R.S. § 5152.)

**Editorial Notes****CODIFICATION**

R.S. § 5152 derived from act June 3, 1864, ch. 106, § 63, 13 Stat. 118, which was the National Bank Act. See section 38 of this title.

**§ 67. Individual liability of shareholders; compromises; authority of receiver**

Any receiver of a national banking association is authorized, with the approval of the Comptroller of the Currency and upon the order of a court of record of competent jurisdiction, to compromise, either before or after judgment, the individual liability of any shareholder of such association.

(Feb. 25, 1930, ch. 58, 46 Stat. 74.)

**Statutory Notes and Related Subsidiaries****APPLICATION TO DISTRICT OF COLUMBIA**

Provisions of this section were made applicable to banks, etc., in the District of Columbia by act Mar. 4, 1933, ch. 274, § 4, 47 Stat. 1567.

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**SUBCHAPTER III—DIRECTORS****§ 71. Election**

The affairs of each association shall be managed by not less than five directors, who shall be elected by the shareholders at a meeting to be held at any time before the association is authorized by the Comptroller of the Currency to commence the business of banking; and after-

ward at meetings to be held on such day of each year as is specified therefor in the bylaws. The directors shall hold office for a period of not more than 3 years, and until their successors are elected and have qualified. In accordance with regulations issued by the Comptroller of the Currency, a national bank may adopt bylaws that provide for staggering the terms of its directors.

(R.S. § 5145; Pub. L. 88-232, § 1, Dec. 23, 1963, 77 Stat. 472; Pub. L. 106-569, title XII, § 1205(a), Dec. 27, 2000, 114 Stat. 3033.)

**Editorial Notes****CODIFICATION**

R.S. § 5145 derived from act June 3, 1864, ch. 106, §§ 9, 10, 13 Stat. 102, which was the National Bank Act. See section 38 of this title.

**AMENDMENTS**

2000—Pub. L. 106-569 substituted “for a period of not more than 3 years” for “for one year” and inserted at end “In accordance with regulations issued by the Comptroller of the Currency, a national bank may adopt bylaws that provide for staggering the terms of its directors.”

1963—Pub. L. 88-232 substituted “on such day of each year as is specified therefor in the bylaws” for “on such day in January of each year as is specified therefor in the articles of association”.

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**§ 71a. Number of directors; penalties**

After one year from June 16, 1933, notwithstanding any other provision of law, the board of directors, board of trustees, or other similar governing body of every national banking association and of every State bank or trust company which is a member of the Federal Reserve System shall consist of not less than five nor more than twenty-five members, except that the Comptroller of the Currency may, by regulation or order, exempt a national bank from the 25-member limit established by this section. If any national banking association violates the provisions of this section and continues such violation after thirty days' notice from the Comptroller of the Currency, the said Comptroller may appoint a receiver or conservator therefor, in accordance with the provisions of existing law. If any State bank or trust company which is a member of the Federal Reserve System violates the provisions of this section and continues such violation after thirty days' notice from the Board of Governors of the Federal Reserve System, it shall be subject to the forfeiture of its membership in the Federal Reserve System in accordance with the provisions of section 327 of this title.

(June 16, 1933, ch. 89, § 31, 48 Stat. 194; June 16, 1934, ch. 546, § 4, 48 Stat. 971; Aug. 23, 1935, ch. 614, title II, § 203(a), title III, § 306, 49 Stat. 704, 708; Pub. L. 106-569, title XII, § 1205(b), Dec. 27, 2000, 114 Stat. 3034.)

**Editorial Notes****AMENDMENTS**

2000—Pub. L. 106-569 inserted before period at end of first sentence “, except that the Comptroller of the Currency may, by regulation or order, exempt a national bank from the 25-member limit established by this section”.

1935—Act June 16, 1934, as amended by act Aug. 23, 1935, §306, repealed a former provision of this section relating to stock ownership requirements of directors, trustees, or members of similar governing bodies of any national banking association, or of any State bank or trust company which is a member of the Federal Reserve System.

1934—Act June 16, 1934, repealed a former provision of this section relating to stock ownership requirements of directors, trustees, or members of similar governing bodies of member banks of the Federal Reserve System.

**Statutory Notes and Related Subsidiaries****CHANGE OF NAME**

Act Aug. 23, 1935, ch. 614, title II, §203(a), 49 Stat. 704, changed name of Federal Reserve Board to Board of Governors of the Federal Reserve System.

**Executive Documents****EXCEPTION AS TO TRANSFER OF FUNCTIONS**

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**§ 72. Qualifications**

Every director must, during his whole term of service, be a citizen of the United States, and at least a majority of the directors must have resided in the State, Territory, or District in which the association is located, or within one hundred miles of the location of the office of the association, for at least one year immediately preceding their election, and must be residents of such State or within one-hundred-mile territory of the location of the association during their continuance in office, except that the Comptroller may, in the discretion of the Comptroller, waive the requirement of residency, and waive the requirement of citizenship in the case of not more than a minority of the total number of directors. Every director must own in his or her own right either shares of the capital stock of the association of which he or she is a director the aggregate par value of which is not less than \$1,000, or an equivalent interest, as determined by the Comptroller of the Currency, in any company which has control over such association within the meaning of section 1841 of this title. If the capital of the bank does not exceed \$25,000, every director must own in his or her own right either shares of such capital stock the aggregate par value of which is not less than \$500, or an equivalent interest, as determined by the Comptroller of the Currency, in any company which has control over such association within the meaning of section 1841 of this title. Any director who ceases to be the owner of the required number of shares of the stock, or who becomes in any other manner disqualified, shall thereby vacate his place.

(R.S. §5146; Feb. 28, 1905, ch. 1163, 33 Stat. 818; Mar. 1, 1921, ch. 100, 41 Stat. 1199; Feb. 25, 1927,

ch. 191, §17, 44 Stat. 1233; Apr. 27, 1956, ch. 215, 70 Stat. 119; Pub. L. 95-369, §2, Sept. 17, 1978, 92 Stat. 608; Pub. L. 96-221, title VII, §710, Mar. 31, 1980, 94 Stat. 189; Pub. L. 103-325, title III, §313, Sept. 23, 1994, 108 Stat. 2221; Pub. L. 104-208, div. A, title II, §2241, Sept. 30, 1996, 110 Stat. 3009-418; Pub. L. 106-569, title XII, §1233(a), Dec. 27, 2000, 114 Stat. 3037.)

**Editorial Notes****CODIFICATION**

R.S. §5146 derived from act June 3, 1864, ch. 106, §§9, 10, 13 Stat. 102, which was the National Bank Act. See section 38 of this title.

**AMENDMENTS**

2000—Pub. L. 106-569 inserted before period at end of first sentence “, and waive the requirement of citizenship in the case of not more than a minority of the total number of directors”.

1996—Pub. L. 104-208 substituted “except that the Comptroller may, in the discretion of the Comptroller, waive the requirement of residency” for “except that in the case of an association which is a subsidiary or affiliate of a foreign bank, the Comptroller of the Currency may in his discretion waive the requirement of citizenship in the case of not more than a minority of the total number of directors” before period at end of first sentence.

1994—Pub. L. 103-325, which directed the substitution of “a majority” for “two thirds”, was executed by making the substitution for “two-thirds” in first sentence to reflect the probable intent of Congress.

1980—Pub. L. 96-221 inserted provisions setting forth additional ownership requirements with respect to equivalent interest determinations by the Comptroller of the Currency.

1978—Pub. L. 95-369 authorized the Comptroller of the Currency, in case of associations which are subsidiaries of affiliates of foreign banks, to waive citizenship requirements of not more than a minority of the total number of directors.

1956—Act Apr. 27, 1956, substituted “two-thirds”, “one hundred”, “one-hundred-mile”, for “three-fourths”, “fifty”, and “fifty-mile”, respectively.

1927—Act Feb. 25, 1927, substituted a minimum value of stock ownership for minimum number of shares in both instances.

**§ 73. Oath**

Each director, when appointed or elected, shall take an oath that he will, so far as the duty devolves on him, diligently and honestly administer the affairs of such association, and will not knowingly violate or willingly permit to be violated any of the provisions of title 62 of the Revised Statutes, and that he is the owner in good faith, and in his own right, of the number of shares of stock required by title 62 of the Revised Statutes, subscribed by him, or standing in his name on the books of the association, and that the same is not hypothecated, or in any way pledged, as security for any loan or debt. The oath shall be taken before a notary public, properly authorized and commissioned by the State in which he resides, or before any other officer having an official seal and authorized by the State to administer oaths, except that the oath shall not be taken before any such notary public or other officer who is an officer of the director's bank. The oath, subscribed by the director making it, and certified by the notary public or other officer before whom it is taken, shall be immediately transmitted to the Comptroller of

the Currency and shall be filed and preserved in his office for a period of ten years.

(R.S. §5147; Feb. 20, 1925, ch. 274, 43 Stat. 955.)

#### Editorial Notes

##### REFERENCES IN TEXT

Title 62 of the Revised Statutes, referred to in text, was in the original “this Title” meaning title LXII of the Revised Statutes, consisting of R.S. §§5133 to 5244, which are classified to this section and sections 16, 21, 22 to 24a, 25a, 25b, 26, 27, 29, 35 to 37, 39, 43, 52, 53, 55 to 57, 59 to 62, 66, 71, 72, 74 to 76, 81, 83 to 86, 90, 91, 93, 93a, 94, 141 to 144, 161, 164, 181, 182, 192 to 194, 196, 215c, 481 to 485, 501, 541, 548, and 582 of this title. See, also, sections 8, 333, 334, 475, 656, 709, 1004, and 1005 of Title 18, Crimes and Criminal Procedure. For complete classification of R.S. §§5133 to 5244 to the Code, see Tables.

##### CODIFICATION

R.S. §5147 derived from act June 3, 1864, ch. 106, §9, 13 Stat. 102, which was the National Bank Act. See section 38 of this title.

#### Executive Documents

##### EXCEPTION AS TO TRANSFER OF FUNCTIONS

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#### § 74. Vacancies

Any vacancy in the board shall be filled by appointment by the remaining directors, and any director so appointed shall hold his place until the next election.

(R.S. §5148.)

#### Editorial Notes

##### CODIFICATION

R.S. §5148 derived from act June 3, 1864, ch. 106, §10, 13 Stat. 102, which was the National Bank Act. See section 38 of this title.

#### § 75. Legal holiday, annual meeting on; proceedings where no election held on proper day

When the day fixed in the bylaws for the regular annual meeting of the shareholders falls on a legal holiday in the State in which the bank is located, the shareholders meeting shall be held, and the directors elected, on the next following banking day. If, from any cause, an election of directors is not made on the day fixed, or in the event of a legal holiday, on the next following banking day, an election may be held on any subsequent day within sixty days of the day fixed, to be designated by the board of directors, or, if the directors fail to fix the day, by shareholders representing two-thirds of the shares, at least ten days' notice thereof in all cases having been given by first-class mail to the shareholders.

(R.S. §5149; Pub. L. 86-230, §9, Sept. 8, 1959, 73 Stat. 457; Pub. L. 88-232, §2, Dec. 23, 1963, 77 Stat. 472.)

#### Editorial Notes

##### CODIFICATION

R.S. §5149 derived from act June 3, 1864, ch. 106, §10, 13 Stat. 102, which was the National Bank Act. See section 38 of this title.

#### AMENDMENTS

1963—Pub. L. 88-232 substituted “bylaws” for “articles of association”.

1959—Pub. L. 86-230 provided that when the day fixed for the regular annual meeting of the shareholders falls on a legal holiday, the meeting shall be held on the next following banking day and authorized election of directors to be held within sixty days of a fixed day upon ten days' notice to the shareholders by first-class mail instead of upon thirty days' notice in newspaper and at a date designated in the articles or bylaws or by the shareholders.

#### § 76. President of bank as member of board; chairman of board

The president of the bank shall be a member of the board and shall be the chairman thereof, but the board may designate a director in lieu of the president to be chairman of the board, who shall perform such duties as may be designated by the board.

(R.S. §5150; Feb. 25, 1927, ch. 191, §6, 44 Stat. 1228.)

#### Editorial Notes

##### CODIFICATION

R.S. §5150 derived from act June 3, 1864, ch. 106, §9, 13 Stat. 102, which was the National Bank Act. See section 38 of this title.

#### AMENDMENTS

1927—Act Feb. 25, 1927, amended section generally. Prior to amendment, section read as follows: “One of the directors, to be chosen by the board, shall be president of the board.”

#### § 77. Repealed. Pub. L. 89-695, title II, § 207, Oct. 16, 1966, 80 Stat. 1055

Section, act June 16, 1933, ch. 89, §30, 48 Stat. 193, provided authority for removal of directors or officers of national banks, District banks, or State member banks for continued violations of law or for continued unsafe or unsound practices in conducting the business of such banks.

#### Editorial Notes

##### CODIFICATION

Section 401 of Pub. L. 89-695, Oct. 16, 1966, 80 Stat. 1056, which provided for reenactment of this section effective upon expiration of the period ending at the close of June 30, 1972, was repealed by Pub. L. 91-609, title IX, §908, Dec. 31, 1970, 84 Stat. 1811.

#### Statutory Notes and Related Subsidiaries

##### CONDITIONS GOVERNING EMPLOYMENT OF PERSONNEL NOT REPEALED, MODIFIED, OR AFFECTED

Nothing contained in section 207 of Pub. L. 89-695 repealing this section to be construed as repealing, modifying, or affecting section 1829 of this title, see section 206 of Pub. L. 89-695, set out as a note under section 1813 of this title.

#### § 78. Repealed. Pub. L. 106-102, title I, § 101(b), Nov. 12, 1999, 113 Stat. 1341

Section, acts June 16, 1933, ch. 89, §32, 48 Stat. 194; Aug. 23, 1935, ch. 614, §307, 49 Stat. 709, related to certain persons excluded from serving as officers, directors, or employees of member banks.

**Statutory Notes and Related Subsidiaries****EFFECTIVE DATE OF REPEAL**

Repeal effective 120 days after Nov. 12, 1999, see section 161 of Pub. L. 106-102, set out as an Effective Date of 1999 Amendment note under section 24 of this title.

**SUBCHAPTER IV—REGULATION OF THE BANKING BUSINESS; POWERS AND DUTIES OF NATIONAL BANKS****§ 81. Place of business**

The general business of each national banking association shall be transacted in the place specified in its organization certificate and in the branch or branches, if any, established or maintained by it in accordance with the provisions of section 36 of this title.

(R.S. § 5190; Feb. 25, 1927, ch. 191, § 8, 44 Stat. 1229.)

**Editorial Notes****CODIFICATION**

R.S. § 5190 derived from act June 3, 1864, ch. 106, § 8, 13 Stat. 101, which was the National Bank Act. See section 38 of this title.

**AMENDMENTS**

1927—Act Feb. 25, 1927, among other changes, inserted “and in the branch or branches, if any, established or maintained by it in accordance with the provisions of section 36 of this title”.

**§ 82. Repealed. Pub. L. 97-320, title IV, § 402, Oct. 15, 1982, 96 Stat. 1510**

Section, R.S. § 5202; Dec. 23, 1913, ch. 6, § 13 (par.), 38 Stat. 264; Sept. 7, 1916, ch. 461, 39 Stat. 753; Apr. 5, 1918, ch. 45, § 20, 40 Stat. 512; Oct. 22, 1919, ch. 79, § 2, 41 Stat. 297; Mar. 4, 1923, ch. 252, title V, § 504, 42 Stat. 1481; Feb. 25, 1927, ch. 191, § 11, 44 Stat. 1231; Jan. 22, 1932, ch. 8, § 5, formerly § 6, 47 Stat. 8, renumbered and amended June 30, 1947, ch. 166, title I, § 1, 61 Stat. 202; May 20, 1933, ch. 35, § 2, 48 Stat. 73; June 19, 1934, ch. 653, § 2, 48 Stat. 1107; Sept. 8, 1959, Pub. L. 86-230, § 10, 73 Stat. 458; Sept. 9, 1959, Pub. L. 86-251, § 2, 73 Stat. 488; July 24, 1970, Pub. L. 91-351, title II, § 201(b), 84 Stat. 451; Jan. 4, 1975, Pub. L. 93-646, § 11, 88 Stat. 2337, provided that no national banking association could at any time be indebted, or in any way liable, to an amount exceeding the amount of its capital stock at such time actually paid in and remaining undiminished by losses or otherwise, plus 50 percent of the amount of its unimpaired surplus fund, except on account of demands of the nature following: notes of circulation; moneys deposited with or collected by the association; bills of exchange or drafts drawn against money actually on deposit to the credit of the association, or due thereto; liabilities to the stockholders of the association for dividends and reserve profits; liabilities incurred under the provisions of the Federal Reserve Act; liabilities incurred under the provisions of the Federal Deposit Insurance Act [12 U.S.C. 1811 et seq.]; liabilities created by the indorsement of accepted bills of exchange payable abroad actually owned by the indorsing bank and discounted at home or abroad; liabilities incurred under the provisions of sections 1031 to 1033 of this title; liabilities incurred on account of loans made with the express approval of the Comptroller of the Currency under former section 84(9) of this title; liabilities incurred under the provisions of section 352a of this title; liabilities incurred in connection with sales of mortgages, or participations therein, to the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; and liabilities incurred in borrowing from the Export-Import Bank of the United States.

**§ 83. Loans by bank on its own stock****(a) General prohibition**

No national bank shall make any loan or discount on the security of the shares of its own capital stock.

**(b) Exclusion**

For purposes of this section, a national bank shall not be deemed to be making a loan or discount on the security of the shares of its own capital stock if it acquires the stock to prevent loss upon a debt previously contracted for in good faith.

(R.S. § 5201; Pub. L. 106-569, title XII, § 1207(a), Dec. 27, 2000, 114 Stat. 3034.)

**Editorial Notes****CODIFICATION**

R.S. § 5201 derived from act June 3, 1864, ch. 106, § 35, 13 Stat. 110, which was the National Bank Act. See section 38 of this title.

**AMENDMENTS**

2000—Pub. L. 106-569 amended section catchline and text generally. Prior to amendment, text read as follows: “No association shall make any loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; and stock so purchased or acquired shall, within six months from the time of its purchase, be sold or disposed of at public or private sale; or, in default thereof, a receiver may be appointed to close up the business of the association, according to section 192 of this title.”

**§ 84. Lending limits****(a) Total loans and extensions of credit**

(1) The total loans and extensions of credit by a national banking association to a person outstanding at one time and not fully secured, as determined in a manner consistent with paragraph (2) of this subsection, by collateral having a market value at least equal to the amount of the loan or extension of credit shall not exceed 15 per centum of the unimpaired capital and unimpaired surplus of the association.

(2) The total loans and extensions of credit by a national banking association to a person outstanding at one time and fully secured by readily marketable collateral having a market value, as determined by reliable and continuously available price quotations, at least equal to the amount of the funds outstanding shall not exceed 10 per centum of the unimpaired capital and unimpaired surplus of the association. This limitation shall be separate from and in addition to the limitation contained in paragraph (1) of this subsection.

**(b) Definitions**

For the purposes of this section—

(1) the term “loans and extensions of credit” shall include—

(A) all direct or indirect advances of funds to a person made on the basis of any obligation of that person to repay the funds or repayable from specific property pledged by or on behalf of the person;

(B) to the extent specified by the Comptroller of the Currency, any liability of a na-