

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 Repealed.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.

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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