

**Opinion No. 22-3528**

July 15, 1922

**BY:** HARRY S. BOWMAN, Attorney General

**TO:** Hon. J. B. Read, State Bank Examiner, Santa Fe, New Mexico.

**Banks Must Carry Reserves Against Trust Fund Deposits.**

**OPINION**

{\*169} In reply to your letter of even date asking for my opinion as to the necessity for state banks to carry reserves against trust funds, and if the answer is in the affirmative the percentage of the reserve which should be carried against them, I wish to advise:

In my opinion the provisions of Section 14, Chapter 120, Laws of 1919, require state banks to carry a reserve against trust funds. If the said trust funds are deposited as "demand deposits," the reserve for such deposits must equal 12 per cent. thereof. If the deposits are placed as time deposits, such as savings accounts or certificates of deposit, or similar classes of deposits, the reserve to be maintained against such deposits is 8 per cent thereof.