



Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

September 21, 1998

Interpretive Letter #840
November 1998
12 U.S.C. 24(7)

Dear []:

This is in response to your inquiry whether national banks may buy and sell commemorative coins issued by an entity other than the United States Mint.

Twelve U.S.C. § 24(Seventh) expressly authorizes national banks to buy and sell coins. In pertinent part the statute states that a national bank may “carry on the business of banking” by, for example, “buying and selling exchange, coin, and bullion.” The statute does not qualify or limit the types of coins that a national bank may purchase or sell. Therefore, it is our conclusion as a legal matter that national banks may buy and sell commemorative coins regardless of whether they have been issued by the United States Mint (“U.S. Mint”) or by some other entity.

Banking Circular No. 58 (Rev.) (1981) (“Circular”) sets forth general guidelines that apply to national banks’ coin and bullion activities. In 1983, the OCC published a supplement to the Circular (“Supplement”) which addresses one specific type of national banks’ coin activity -- the purchase and sale of commemorative coins issued by the U.S. Mint. National banks should comply with the guidelines contained in both the Circular and the Supplement when purchasing and selling commemorative coins issued by an entity other than the U.S. Mint. To minimize the risk of this activity, it is especially important that the Board of Directors establish policies and procedures which set dollar limits on coin inventories consistent with safe and sound banking practices.¹

¹ Additionally, we take supervisory comfort that the program offered by the vendor you have selected, [], contains features that further minimize risk to the bank including no minimum purchase amounts and an exchange policy for unsold commemorative coins.

We trust this is responsive to your inquiry. If you have further questions, please contact Steven Key, an attorney on my staff, at (202) 874-5300.

Very truly yours,

/s/

William B. Glidden
Assistant Director, Bank Activities & Structure Division