The Secretary of the Interior is hereby authorized in his discretion, and under such rules and regulations as he may prescribe, to withdraw from the United States Treasury and to deposit in banks to be selected by him the common or community funds of any Indian tribe which are, or may hereafter be, held in trust by the United States and on which the United States is not obligated by law to pay interest at higher rates that can be procured from the banks. The said Secretary is also authorized, under such rules and regulations as he may prescribe, to deposit in banks to be selected by him the funds held in trust by the United States for the benefit of individual Indians: PROVIDED, That no individual Indian money shall be deposited in any bank until the bank shall have agreed to pay interest thereon at a reasonable rate, subject, however, to the regulations of the Board of Governors of the Federal Reserve System in the case of member banks, and of the Board of Directors of the Federal Deposit Insurance Corporation in the case of insured non-member banks, except that the payment of interest may be waived in the discretion of the Secretary of the Interior on any deposit which is payable on demand: PROVIDED FURTHER, That no tribal or individual Indian money shall be deposited in any bank until the bank shall have furnished an acceptable bond or pledged collateral security therefor in the form of any public-debt obligations of the United States and any bonds, notes, or other obligations which are unconditionally guaranteed as to both interest and principal by the
the United States, except that no such bond or collateral shall be required to be furnished by any such bank which is entitled to the benefits of section 264 of Title 12, with respect to any deposits of such tribal or individual funds to the extent that such deposits are insured under such section: PROVIDED, HOWEVER, That nothing contained in this section, or in section 264 of Title 12, shall operate to deprive any Indian having unrestricted funds on deposit in any such bank of the full protection afforded by section 264 of Title 12, irrespective of any interest such Indian may have in any restricted Indian funds on deposit in the same bank to the credit of a disbursing agent of the United States. For the purpose of this section and section 264 of Title 12, said unrestricted funds shall constitute a separate and distinct basis for an insurance claim: PROVIDED FURTHER, That the Secretary of the Interior, if he deems it advisable and for the best interest of the Indians, may invest the trust funds of any tribe or individual Indian in any public-debt obligations of the United States and in any bonds, notes, or other obligations which are unconditionally guaranteed as to both interest and principal by the United States: AND PROVIDED FURTHER, That the foregoing shall apply to the funds of the Osage Tribe of Indians, and the individual members thereof, only with respect to the deposit of such funds in banks. June 24, 1938, c. 643, § 1, 52 Stat. 1037.