

FEDERAL RESERVE BANK  
OF DALLAS

March 17, 1916.

REBATING UNEARNED INTEREST.

TO THE MEMBER BANK ADDRESSED:

Our Executive Committee has authorized us to modify our former rules for rebating unearned interest on rediscounts retired before maturity, and under its instructions the following practice will be followed by this bank until further notice:

(a) No rebate will be granted which amounts to less than one dollar (\$1.00).

(b) No rebate will be granted on notes retired within one week of their maturity, nor on notes of \$100.00 or less.

(c) Except as above, a rebate of the unearned interest, computed at a rate one per cent. less than our regular discount rate on the same class of paper for the unexpired time, will be granted on all rediscounts retired before maturity, provided said regular discount rate shall not be greater than the rate at which the rediscount was originally made.

(d) No rebate will be granted under the preceding rule to a member bank whose required reserve with this bank is deficient at the time of, or for any three successive days within thirty days prior to, the repayment of the rediscount on which the member bank might otherwise be entitled to a rebate.

(e) Member banks entitled to rebates will have their accounts on our books credited with same whether applied for or not.

(f) On notes taken up before maturity under instructions from this bank, on account of depreciation in value, lack of eligibility, etc., a rebate of the entire unearned interest at the rate at which the rediscount is made will be granted.

Respectfully,

R. L. VAN ZANDT

Governor.