

OFFICERS

R. L. VAN ZANDT,
GOVERNOR
J. W. HOOPES,
DEPUTY GOVERNOR
LYNN P. TALLEY,
CASHIER
SAM R. LAWDER,
ASSISTANT CASHIER
R. R. GILBERT,
ASSISTANT CASHIER
PAUL G. TAYLOR,
ASSISTANT CASHIER
R. B. COLEMAN,
ASSISTANT CASHIER



FEDERAL RESERVE BANK
OF DALLAS

DIRECTORS

W. F. RAMSEY, CHAIRMAN AND
FEDERAL RESERVE AGENT
W. B. NEWSOME, . . . DEPUTY CHAIRMAN
J. J. CULBERTSON, . . . PARIS, TEXAS
FRANK KELL, . . . WICHITA FALLS, TEXAS
B. A. MCKINNEY, . . . DURANT, OKLA.
MARION SANSON, . . . FT. WORTH, TEXAS
JNO. T. SCOTT, . . . HOUSTON, TEXAS
E. K. SMITH, . . . SHREVEPORT, LA.
H. O. WOOTEN, . . . ABILENE, TEXAS

CHARLES C. HALL, ASSISTANT
FEDERAL RESERVE AGENT
W. C. WEISS, AUDITOR

DALLAS, TEXAS, May 27, 1918.

REBATING UNEARNED INTEREST

TO THE MEMBER BANK ADDRESSED:

Superseding former rules, and beginning Saturday, June 1st, 1918, the following practice in respect to the rebating of unearned interest on rediscounts and member bank promissory notes retired before maturity, will be followed by this bank until further notice:

- (a) A full rebate of the unearned interest will be granted on all member bank direct promissory notes to this bank retired before maturity.
- (b) No rebate will be granted which amounts to less than one dollar (\$1.00).
- (c) No rebate will be granted on rediscounts retired within one week of their maturity nor on any note of \$100, or less.
- (d) Except as above, a rebate of the unearned interest, computed at our regular discount rate on the same class of paper for the unexpired time, will be granted on all rediscounts retired before maturity, **provided** the member bank shall certify that the indebtedness, represented by the note retired, is being liquidated in whole or in part by the maker of such note.
- (e) Unless such certificate is furnished us at the time the rediscount is retired, the rebate will be computed at a rate **one per cent less** than our regular discount rate on the same class of paper for the unexpired time.
- (f) 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.
- (g) Member banks entitled to rebate will have their accounts on our books credited with same whether applied for or not.
- (h) 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 was made will be granted.

As it may be to the interest of our member banks to do so, I suggest that the officers familiarize themselves with the above rules and keep this circular on file where it may be referred to when pre-payments are made.

Very truly yours,

Governor.