



FEDERAL RESERVE BANK
OF DALLAS

Circular No. 46
Series of 1920

December 29, 1920.

PAYMENT FOR NEW STOCK IN FEDERAL
RESERVE BANK OF DALLAS

TO THE MEMBER BANK ADDRESSED:

Effective January 1st payments for additional stock allotted member banks, original stock subscriptions of new national banks, and state banks becoming members, will be handled in accordance with Section 5 of the Federal Reserve Act, which reads in part as follows:

"A bank applying for stock in a Federal Reserve Bank at any time after the organization thereof must subscribe for an amount of the capital stock of the Federal Reserve Bank equal to six per centum of the paid-up capital stock and surplus of said applicant bank, paying therefor its par value plus one-half of one per centum a month from the period of the last dividend."

When applications for new stock in this bank have been approved, the applying bank will be advised and requested to make payment of par value of same, in line with the present practice.

When the entries are actually made on our books a draft will be drawn for an amount equal to one-half of one per centum per month from the last dividend period.

Under the plan outlined above the calculation of dividends is simplified, and all banks will receive full dividend at the rate of six per centum per annum, for the six months' period. It is believed this plan will be preferable to the present method of calculating the dividend on partial payments for stock from the date such payment is made.

Respectfully,

A handwritten signature in cursive script, appearing to read "W. F. Naves", with a long horizontal flourish extending to the right.

Federal Reserve Agent