



FEDERAL RESERVE BANK
OF DALLAS

Circular No. 19
Series of 1921

March 24, 1921

COLLECTION OF MATURING REDISCOUNTS AND COLLATERAL NOTES

TO THE MEMBER BANK ADDRESSED:

Effective April 1st, 1921, maturing rediscounts will be forwarded to member banks for collection and returns. Heretofore it has been our custom to send these items for collection, accompanied by individual collection letters, and member banks have made it a practice to credit our account to cover. Under the new method these rediscounts will be listed on a collection letter which will show the total items maturing on a given date. Instead of crediting our account, as has been the custom in the past, member banks will remit us to cover the totals of our collection letters.

Remittance must be made in immediately available funds.

At the foot of each collection letter is a stub showing the total of the rediscounts enclosed, and also the date of their maturity. Member banks are particularly requested to attach this stub to their remittance, which should be addressed to the Loan and Discount Department of this bank in order to insure prompt handling. In the event prior remittances have been made to cover any of the items enclosed, deduction should be made from this stub with proper explanation.

Attached to the rediscounts-enclosed in the collection letter will be a blank form of acknowledgment, which member banks will please sign immediately on receipt, returning it to our Loan and Discount Department in order that we may know that the items enclosed have reached them safely.

Rediscounts will be forwarded for collection eight or ten days prior to maturity in order to give ample time to make provision therefor. The suggestion is made that remittances be mailed in time to reach this bank at least one day before the maturity of the items they are intended to cover, in order to offset any delay that may occur in the mail. Such remittances will not be used until the day the rediscounts mature, unless accompanied by instructions to the contrary.

The attention of our member banks is again directed to the collection facilities of this institution available for their use in connection with the collection of maturing notes and bills payable in cities other than those in which the member banks are located.

Large items payable in Federal Reserve or Branch Federal Reserve cities will, upon request, be forwarded to place of payment with instructions to wire fate, our private wire system being used for this purpose without charge to the member bank. Credit will be given member banks as of the date proceeds are credited to our account by the collecting Federal Reserve Bank or Branch.

Items of this character under rediscount with us will be forwarded by us direct to place of payment for collection under specific instructions of the rediscounting member, which instructions should be given at least two weeks in advance of the maturity of the item, as otherwise the paper might be returned to the member in order to enable it to use its own channels. Such items being owned by the Federal Reserve Bank of Dallas, we reserve the right to use our discretion and either return them to the discounting member bank in order that it may use its own channels for collection, or forward them direct to place of payment for collection for our account, in which latter event notice of payment or non-payment will be forwarded to the discounting member bank.

The promissory notes executed by member banks in favor of this bank are payable in Dallas and will be held here as in the past. As they are payable on maturity date, without grace, balances should be established on our books in order that charges covering these notes may not cause impairment of the member bank's legal reserve.

Yours very truly,

A handwritten signature in cursive script, reading "R. L. Van Zandt". The signature is written in black ink and is positioned above the printed name "Governor.".

Governor.