

**FEDERAL RESERVE BANK
OF DALLAS**

Dallas, Texas, March 29, 1933.

**SUBJECT: LOANS TO MEMBER BANKS UNDER SECTION 10(b) OF THE
FEDERAL RESERVE ACT, AS AMENDED**

To the Member Bank Addressed:

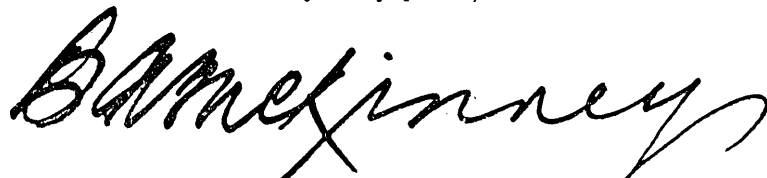
Section 10(b) of the Federal Reserve Act was amended by the Act of March 9, 1933, to read as follows:

“In exceptional and exigent circumstances, and when any member bank has no further eligible and acceptable assets available to enable it to obtain adequate credit accommodations through rediscounting at the Federal reserve bank or any other method provided by this act other than that provided by Section 10(a), any Federal reserve bank, under rules and regulations prescribed by the Federal Reserve Board, may make advances to such member bank on its time or demand notes secured to the satisfaction of such Federal reserve bank. Each such note shall bear interest at a rate not less than 1 per centum per annum higher than the highest discount rate in effect at such Federal reserve bank on the date of such note. No advance shall be made under this section after March 3, 1934, or after the expiration of such additional period not exceeding one year as the President may prescribe.”

You will note from the foregoing quotation that the authority to make an advance to a member bank under Section 10(b) is no longer subject to the condition that such bank have a capital not exceeding \$5,000,000, nor to the requirement of consent to such advance by affirmative action by not less than five members of the Federal Reserve Board, but that no change has been made in the provision that such advance may be made only in exceptional and exigent circumstances and only when the member bank has no further eligible or acceptable assets available to enable it to obtain adequate credit accommodations from the Federal reserve bank through rediscounts or any other method provided by the Federal Reserve Act other than that provided by Section 10(a); likewise there is no change in the requirement that all such advances be secured to the satisfaction of the Federal reserve bank.

Any member bank having need for the facilities offered under the foregoing amendment to the Federal Reserve Act will be furnished forms and instructions, upon request.

Very truly yours,



Governor.