

**FEDERAL RESERVE BANK
OF DALLAS**

Dallas, Texas, August 21, 1934

NON-DISTURBANCE AGREEMENTS

To the Member Bank Addressed:

We have received inquiries from member banks as to the effect of non-disturbance agreements, required by the Farm Credit Administration in connection with loans in the drouth area, upon the eligibility of notes offered to us for rediscount or as collateral. We are advised that the Farm Credit Administration has authorized these agreements to be amended as follows:

“If any note of the above named borrower is rediscounted with or pledged to the Federal Reserve Bank of Dallas, this agreement shall not affect any right of said Federal Reserve Bank or the Federal Reserve Agent at Dallas with respect to such note.”

We are also advised that where non-disturbance agreements have already been executed by banks, such banks will be permitted to substitute therefor agreements amended as indicated above.

Please be advised that, if otherwise eligible, any note in connection with which a non-disturbance agreement has been executed in the form amended as indicated above, is eligible for rediscount or for use as collateral at this bank.

If a non-disturbance agreement as amended has been executed in connection with any note offered to us a copy of the agreement should be attached to such note.

Yours very truly,

B. A. McKINNEY,

Governor.