

**FEDERAL RESERVE BANK
OF DALLAS**

Dallas, Texas, April 17, 1936

PAYMENT OF INTEREST ON TIME DEPOSITS AFTER MATURITY

To the Member Bank Addressed:

Section 3 (f) of Regulation Q, which became effective January 1, 1936, prohibits the payment by a member bank of interest on any time deposit after the maturity of such deposit.

I have just received a ruling from the Board of Governors of the Federal Reserve System to the effect that, notwithstanding the provisions of Regulation Q referred to above, the Board will offer no objection to the payment by a member bank of interest on a time deposit (at a rate not exceeding the applicable maximum rate prescribed in Regulation Q) for the period between the maturity date of the certificate representing such deposit and the date of renewal thereof, provided such certificate is renewed within ten days after maturity and the renewal certificate is dated back to the date of maturity of the original certificate.

Yours very truly,

A handwritten signature in dark ink, appearing to read "C. E. Walsh", with a stylized flourish at the end.

Federal Reserve Agent