

**FEDERAL RESERVE BANK
OF DALLAS**

Dallas, Texas, January 30, 1937

**POSTPONEMENT OF EFFECTIVE DATE OF SUBSECTION (F)
OF SECTION 1 OF REGULATION Q**

To the Member Bank Addressed:

The Board of Governors of the Federal Reserve System has deferred until May 1, 1937, the date upon which subsection (f), entitled "Interest", of section 1 of Regulation Q, will become effective. In explanation of this action, the Board of Governors has given out the following statement:

"Chairman Steagall, of the House Banking and Currency Committee, and Chairman Wagner, of the Senate Banking and Currency Committee, have requested the Board of Governors of the Federal Reserve System to postpone the effective date of the definition of interest contained in subsection (f) of section 1 of the Board's Regulation Q, which the Board on December 21, 1936, announced would become effective on February 1, 1937.

The Board, after careful consideration, has reached the conclusion that the law and the existence of certain banking practices required the adoption of this definition but the Board feels that the request which these two chairmen have now made should be granted in view of the fact that the Board has been informed that a number of members of Congress are giving consideration to the question of the advisability of amending the law under which the Board's regulation was issued, and desire additional time for that purpose. The Board, therefore, has postponed from February 1 to May 1, 1937, the effective date of subsection (f) of section 1 of Regulation Q, which contains the definition of interest."

Yours very truly,

B. A. McKINNEY,
President