

**FEDERAL RESERVE BANK  
OF DALLAS**

Dallas, Texas, October 29, 1937

**REVISED SUPPLEMENTS TO REGULATIONS T AND U**

**Effective November 1, 1937**

**To the Bank Addressed:**

On October 27, 1937, the Board of Governors of the Federal Reserve System adopted a revised supplement to Regulation U, effective November 1, 1937. A copy of the revised supplement is enclosed, which should be attached to the copy of Regulation U that was forwarded to your bank on April 4, 1936.

The Board of Governors also adopted a revised supplement to Regulation T, effective November 1, 1937, a copy of which is enclosed for your information.

Yours very truly,

B. A. McKINNEY,  
President

*Reg. U missing from volume  
& subject file*

**BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM**

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**SUPPLEMENT TO REGULATION T**

Effective November 1, 1937

**Maximum Loan Values**

Pursuant to the provisions of section 7 of the Securities Exchange Act of 1934 and section 3 of its Regulation T, as amended, the Board of Governors of the Federal Reserve System hereby prescribes the following maximum loan values of registered securities (other than exempted securities) for the purposes of Regulation T:

(1) **General rule.**—Except as provided in paragraphs (2) and (3) of this supplement, the maximum loan value of a registered security (other than an exempted security) shall be 60 per cent of the current market value of the security.

(2) **Extension of credit to other members, brokers and dealers.**  
The maximum loan value of a registered security (other than an exempted security) in a special account with another member, broker or dealer, which special account complies with subsection (b) of section 3 of Regulation T, as amended, shall be 75 per cent of the current market value of the security.

(3) **Extension of credit to distributors, syndicates, etc.**—The maximum loan value of a registered security (other than an exempted security) in a special account with a distributor, syndicate, etc., which special account complies with subsection (c) of section 3 of Regulation T, as amended, shall be 80 per cent of the current market value of the security.

**Margin Required on Short Sales**

Pursuant to the provisions of section 7 of the Securities Exchange Act of 1934 and section 3 of Regulation T, as amended, the Board of Governors of the Federal Reserve System hereby prescribes that the amount to be included in the adjusted debit balance of an account, pursuant to section 3 (f) (3) of Regulation T, as amended, as margin required on short sales of securities (other than unissued or exempted securities) shall be 50 per cent of the current market value of each such security except that in the case of a special account with another member, broker or dealer, which special account complies with subsection (b) of section 3 of Regulation T, as amended, such amount shall be 35 per cent of such current market value.