

FEDERAL RESERVE BANK
OF DALLAS

Dallas, Texas, March 21, 1942

**To the Member Banks of the
Eleventh Federal Reserve District:**

There is enclosed a copy of an amendment to Regulation A, "Discounts for and Advances to Member Banks by Federal Reserve Banks," adopted by the Board of Governors of the Federal Reserve System, effective March 20, 1942. This amendment makes no change of substance in the Regulation. Its sole purpose is to rephrase one paragraph of the Regulation in order to make it clear that under the law the Federal Reserve banks are authorized to make advances to their member banks for periods not exceeding 90 days on the promissory notes of such member banks secured by direct obligations of the United States.

This amendment should be inserted in the ring binder containing the current bulletins of this bank and the regulations of the Board of Governors of the Federal Reserve System.

Yours very truly,

R. R. GILBERT

President

FOR DEFENSE



**BUY
UNITED
STATES
SAVINGS
BONDS
AND STAMPS**

AMENDMENT TO REGULATION A

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective March 20, 1942

The Board of Governors has amended its Regulation A, "Discounts for and Advances to Member Banks by Federal Reserve Banks," effective March 20, 1942, by changing subsection (b) of section 2 of Regulation A to read as follows:

(b) Advances on Government obligations.

Any Federal Reserve Bank may make advances, under authority of section 13 of the Federal Reserve Act, to any of its member banks for periods not exceeding ninety days⁶ on the promissory note of such member bank secured by direct obligations of the United States, and for periods not exceeding fifteen days on the promissory note of such member bank secured (1) by the deposit or pledge of debentures or other such obligations of Federal Intermediate Credit banks having maturities of not exceeding six months from the date of the advance, or (2) by the deposit or pledge of Federal Farm Mortgage Corporation bonds issued under the Federal Farm Mortgage Corporation Act and guaranteed both as to principal and interest by the United States, or (3) by the deposit or pledge of Home Owners' Loan Corporation bonds issued under the provisions of subsection (c) of section 4 of the Home Owners' Loan Act of 1933, as amended, and guaranteed both as to principal and interest by the United States.

⁶The eighth paragraph of section 13 of the Federal Reserve Act authorizes advances to member banks for periods not exceeding fifteen days secured by bonds, notes, certificates of indebtedness, or Treasury bills of the United States. However, the last paragraph of section 13 authorizes any Federal Reserve Bank to make advances for periods not exceeding ninety days "to any individual, partnership or corporation" on the promissory notes of such individual, partnership or corporation secured by "direct obligations of the United States"; and the term "corporation" includes an incorporated bank.