

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, August 11, 1942

IMPORTANT INFORMATION RELATING TO WAR LOAN DEPOSITARIES

To All Banking Institutions in the
Eleventh Federal Reserve District:

Under the provisions of Treasury Department Circular No. 92, as revised and supplemented, any incorporated bank or trust company in the United States may make application to the Federal Reserve Bank of its district to qualify as a special (War Loan) depository; and any incorporated bank or trust company so qualified may effect payment for new issues of Treasury bonds, notes, certificates of indebtedness, War Savings bonds, Tax Series notes, and certain issues of Treasury bills, for itself or its customers, by payment through advice of credit to an account known as the "War Loan Deposit Account." This deposit does not remain constant but is withdrawn, in whole or in part, upon receipt of instructions from the Secretary of the Treasury as the needs of the Treasury require. No interest is paid on the deposit, but it must be secured by certain classes of collateral as specified in Treasury Department Circular No. 92.

Heretofore the Treasury has suggested that maximum designations be held to an amount approximating 150 percent of the combined capital and surplus of the depository bank. Recently, however, the Treasury has advised that consideration would be given to the qualification of depositories in any amount which in the opinion of the Federal Reserve Bank may be justified to meet the depository's requirements, provided that all deposits in War Loan accounts in excess of 100 percent of the combined capital and surplus of the depository bank shall be collaterally secured by the pledge of United States Government securities.

Any incorporated bank or trust company already qualified and desiring to increase its maximum designation, or not already designated and desiring to qualify as such depository, should make application to this Federal Reserve Bank for appropriate forms. Further details as to the operation of the account will also be furnished upon request.

Yours very truly,

R. R. GILBERT

President

