

**FEDERAL RESERVE BANK
OF DALLAS**

Dallas, Texas, February 3, 1945

AMENDED SUPPLEMENT TO REGULATION U

**To All Banking Institutions in the
Eleventh Federal Reserve District:**

There is enclosed a revised supplement to Regulation U, issued by the Board of Governors of the Federal Reserve System. The supplement to Regulation U has been amended by the Board, effective February 5, 1945, by changing the maximum loan value figure "60 per cent" in the first paragraph to "50 per cent," and by changing the maximum loan value figure "75 per cent" in the second paragraph to "65 per cent."

Member banks of the Federal Reserve System are requested to insert the revised supplement to Regulation U in their ring binders in lieu of the February 24, 1941, supplement to Regulation U.

Yours very truly,

R. R. GILBERT

President



SUPPLEMENT TO REGULATION U

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective February 5, 1945

For the purpose of section 1 of Regulation U, the maximum loan value of any stock, whether or not registered on a national securities exchange, shall be 50 per cent of its current market value, as determined by any reasonable method.

Loans to Brokers and Dealers.—Notwithstanding the foregoing, a stock, if registered on a national securities exchange, shall have a special maximum loan value of 65 per cent of its current market value, as determined by any reasonable method, in the case of a loan to a broker or dealer from whom the bank (1) accepts in good faith a signed statement to the effect that he is subject to the provisions of Regulation T (or that he does not extend or maintain credit to or for customers except in accordance therewith as if he were subject thereto), and (2) receives written notice, pursuant to a rule of the Securities and Exchange Commission concerning the hypothecation of customers' securities by brokers or dealers (Rule X-8C-1 or Rule X-15C2-1), to the effect that the stock is a security carried for the account of a customer.