

FEDERAL RESERVE BANK OF DALLAS  
DALLAS 13, TEXAS

Dallas, Texas, March 29, 1949

**SUPPLEMENT TO REGULATION U**

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

There is reproduced on the reverse side of this letter a supplement to Regulation U, issued by the Board of Governors of the Federal Reserve System, effective March 30, 1949, which reduces margin requirements to 50 per cent.

In connection with this action and a corresponding amendment to Regulation T, there is quoted below a press statement issued by the Board for release today.

“The Board of Governors of the Federal Reserve System, effective Wednesday, March 30, 1949, amended its Regulation T ‘Extension and Maintenance of Credit by Brokers, Dealers, and Members of National Securities Exchanges’ and its Regulation U ‘Loans by Banks for the Purpose of Purchasing or Carrying Stocks Registered on a National Securities Exchange’ so as to reduce the margin requirements for purchasing registered securities from 75 per cent to 50 per cent. These requirements are applicable both to purchases of securities and to short sales. The Board’s action was taken under its statutory responsibilities and in the light of the general credit situation.”

Member banks are requested to file this supplement in ring binders containing copies of the regulations of the Board of Governors of the Federal Reserve System and the bulletins of this bank.

Yours very truly,

R. R. GILBERT

President

## **SUPPLEMENT TO REGULATION U**

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

Effective March 30, 1949

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.

## **SUPPLEMENT TO REGULATION T**

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

**Effective March 30, 1949**

**Maximum loan value for general accounts.** — The maximum loan value of a registered security (other than an exempted security) in a general account, subject to section 3 of Regulation T, shall be 50 per cent of its current market value.

**Margin required for short sales in general accounts.**— The amount to be included in the adjusted debit balance of a general account, pursuant to section 3(d)(3) of Regulation T, as margin required for short sales of securities (other than exempted securities) shall be 50 per cent of the current market value of each such security.