

FEDERAL RESERVE BANK
OF DALLAS

Dallas, Texas, March 30, 1951

AMENDMENT TO REGULATION A

*To All Member Banks in the Eleventh
Federal Reserve District:*

Printed on the reverse side of this letter is the text of an amendment to Regulation A of the Board of Governors of the Federal Reserve System effective March 21, 1951.

Only the language of the last clause of the amendment is new. Similar language exempting V-loan paper from the negotiability requirement of the regulation was incorporated in the regulation during the previous V-loan program of World War II, but was eliminated by an amendment to the regulation in 1949. The purpose of the present amendment is to restore that provision in order to facilitate operations under the current V-loan program.

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

Very truly yours,

R. R. GILBERT

President

DISCOUNT FOR AND ADVANCES TO MEMBER BANKS
BY FEDERAL RESERVE BANKS

AMENDMENT TO REGULATION A

The Board of Governors has amended its Regulation A, effective March 21, 1951, by amending the last sentence of subsection (h) of section 1 to read as follows:

“The requirement of this section that a note be negotiable shall not be applicable with respect to any note evidencing a loan which is made pursuant to a commodity loan program of the Commodity Credit Corporation and which is subject to a commitment to purchase by the Commodity Credit Corporation or with respect to any note evidencing a loan which is in whole or in part the subject of a guarantee or commitment made pursuant to section 301 of the Defense Production Act of 1950.”

DISCOUNTS FOR AND ADVANCES TO MEMBER BANKS BY FEDERAL RESERVE BANKS

AMENDMENTS TO REGULATION A

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

The last sentence of subsection *(h)* of section 1, which was added in 1942, was amended, effective March 21, 1951, to read as follows:

The requirement of this section that a note be negotiable shall not be applicable with respect to any note evidencing a loan which is made pursuant to a commodity loan program of the Commodity Credit Corporation and which is subject to a commitment to purchase by the Commodity Credit Corporation or with respect to any note evidencing a loan which is in whole or in part the subject of a guarantee or commitment made pursuant to section 301 of the Defense Production Act of 1950.

Subsection *(a)* of section 2 was amended, effective February 17, 1949, by adding thereto the following sentence:

In the event notes which evidence loans made pursuant to a commodity loan program of the Commodity Credit Corporation and which comply with the maturity requirements of subsection *(a)* of section 1 of this regulation have been deposited in a pool of notes operated by the Commodity Credit Corporation, the certificate of interest issued by the Commodity Credit Corporation which evidences the deposit of such notes may be accepted as security for an advance made to a member bank under this subsection.

Subsection *(b)* of section 2 was amended, effective March 20, 1942, 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.