

FEDERAL RESERVE BANK OF DALLAS
DALLAS, TEXAS

Dallas, Texas, January 5, 1955

SUPPLEMENTS TO REGULATIONS T AND U

To All Banks and Others Concerned
in the Eleventh Federal Reserve District:

The Board of Governors of the Federal Reserve System has amended the supplements to Regulations T and U by increasing margin requirements to 60 per cent, effective January 4, 1955. The press statement issued in connection with such action is quoted below.

“The Board of Governors of the Federal Reserve System today amended Regulations T and U, relating respectively to margin requirements of brokers and banks, by increasing margin requirements from 50 per cent to 60 per cent, effective immediately.

“The increased requirements apply to both purchases and short sales. No other change was made in the Regulations.”

A copy of each of the amended supplements is enclosed. Member banks are requested to insert these new supplements in their ring binders containing the Regulations of the Board of Governors and the Bulletins of this bank.

Yours very truly,

WATROUS H. IRONS

President

SUPPLEMENT TO REGULATION T

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective January 4, 1955

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 40 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 60 per cent of the current market value of each such security.

SUPPLEMENT TO REGULATION U

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective January 4, 1955

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 40 per cent of its current market value, as determined by any reasonable method.