

**FEDERAL RESERVE BANK OF DALLAS**  
**DALLAS, TEXAS**

Dallas, Texas, December 5, 1956

**To the Member Banks of the**  
**Eleventh Federal Reserve District:**

The Board of Governors of the Federal Reserve System has adopted the enclosed supplement to Regulation Q increasing the maximum rates of interest that may be paid by member banks on savings deposits and on time deposits payable in 90 days or more, effective January 1, 1957.

Please insert the new supplement in the ring binder containing the Regulations of the Board of Governors and the Bulletins of this bank.

Yours very truly,

Watrous H. Irons,  
President

## SUPPLEMENT TO REGULATION Q

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective January 1, 1957

### MAXIMUM RATES OF INTEREST PAYABLE ON TIME AND SAVINGS DEPOSITS BY MEMBER BANKS OF THE FEDERAL RESERVE SYSTEM

Pursuant to the provisions of section 19 of the Federal Reserve Act and section 3 of its Regulation Q, the Board of Governors of the Federal Reserve System hereby prescribes the following maximum rates<sup>1</sup> of interest payable by member banks of the Federal Reserve System on time and savings deposits:

(1) **Maximum rate of 3 per cent.** — No member bank shall pay interest accruing at a rate in excess of 3 per cent per annum, compounded quarterly,<sup>2</sup> regardless of the basis upon which such interest may be computed, —

(A) On any savings deposit,

(B) On any time deposit having a maturity date six months or more after the date of deposit or payable upon written notice of six months or more,

(C) On any Postal Savings deposit which constitutes a time deposit.

(2) **Maximum rate of 2½ per cent.** — No member bank shall pay interest accruing at a rate in excess of 2½ per cent per annum, compounded quarterly, regardless of the basis upon which such interest may be computed, —

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<sup>1</sup> The maximum rates of interest payable by member banks of the Federal Reserve System on time and savings deposits as prescribed herein are not applicable to any deposit which is payable only at an office of a member bank located outside of the States of the United States and the District of Columbia.

<sup>2</sup> This limitation is not to be interpreted as preventing the compounding of interest at other than quarterly intervals, provided that the aggregate amount of such interest so compounded does not exceed the aggregate amount of interest at the rate above prescribed when compounded quarterly.

(Over)

(A) On any time deposit (except Postal Savings deposits which constitute time deposits) having a maturity date less than six months and not less than 90 days after the date of deposit or payable upon written notice of less than six months and not less than 90 days.

(3) **Maximum rate of 1 per cent.** — No member bank shall pay interest accruing at a rate in excess of 1 per cent per annum, compounded quarterly, regardless of the basis upon which such interest may be computed, —

(A) On any time deposit (except Postal Savings deposits which constitute time deposits) having a maturity date less than 90 days after the date of deposit or payable upon written notice of less than 90 days.