

**FEDERAL RESERVE BANK
OF DALLAS**

Dallas, Texas, February 20, 1958

**RESERVES REQUIRED TO BE MAINTAINED BY MEMBER
BANKS WITH FEDERAL RESERVE BANKS**

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

The Board of Governors of the Federal Reserve System has announced the adoption of a supplement to Regulation D, which has the effect of reducing reserve requirements of member banks. Copy of the supplement is enclosed.

The following press statement was released by the Board in regard to its action in reducing reserve requirements:

“The Board of Governors has reduced by $\frac{1}{2}$ of one per cent reserves required to be maintained by member banks of the Federal Reserve System against demand deposits.

“This action will release about \$500 million from present required reserves. For central reserve city banks the reduction from 20 per cent to $19\frac{1}{2}$ per cent of net demand deposits will release about \$125 million of reserves. At reserve city banks, the reduction from 18 per cent to $17\frac{1}{2}$ per cent will release about \$195 million, and at country banks the change from 12 per cent to $11\frac{1}{2}$ per cent will release approximately \$180 million.

“For central reserve city and reserve city banks, the effective date for the new requirements is February 27, 1958, and for country banks, March 1, 1958.”

The supplement to Regulation D should be filed in the ring binder containing current bulletins of this bank and the regulations of the Board of Governors of the Federal Reserve System. Please acknowledge receipt on the enclosed postal card.

Yours very truly,

Watrous H. Irons
President

SUPPLEMENT TO REGULATION D

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective as to Member Banks not in Reserve and Central Reserve
Cities at opening of business on March 1, 1958, and as to
Member Banks in Reserve and Central Reserve
Cities at opening of business on February 27, 1958

Reserves required to be maintained by member banks with Federal Reserve banks

Pursuant to the provisions of section 19 of the Federal Reserve Act and section 2(a) of its Regulation D, the Board of Governors of the Federal Reserve System hereby prescribes the following reserve balances which each member bank of the Federal Reserve System is required to maintain on deposit with the Federal Reserve bank of its district:

1. If not in a reserve or central reserve city—
 - (a) 5 per cent of its time deposits, plus
 - (b) 11½ per cent of its net demand deposits.
2. If in a reserve city (except as to any bank located in an outlying district of a reserve city or in territory added to such city by the extension of the city's corporate limits, which, by the affirmative vote of five members of the Board of Governors of the Federal Reserve System, is permitted to maintain the reserves specified in paragraph 1 above)—
 - (a) 5 per cent of its time deposits, plus
 - (b) 17½ per cent of its net demand deposits.
3. If in a central reserve city (except as to any bank located in an outlying district of a central reserve city or in territory added to such city by the extension of the city's corporate limits, which, by the affirmative vote of five members of the Board of Governors of the Federal Reserve System, is permitted to maintain the reserves specified in paragraph 1 or 2 above)—
 - (a) 5 per cent of its time deposits, plus
 - (b) 19½ per cent of its net demand deposits.

The supplements to Regulation D which have previously been issued are hereby revoked and superseded.