

**FEDERAL RESERVE BANK**  
**OF DALLAS**

Dallas, Texas, March 19, 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 \$490 million from present required reserves. For central reserve city banks the reduction from  $19\frac{1}{2}$  per cent to 19 per cent of net demand deposits will release about \$125 million of reserves. At reserve city banks, the reduction from  $17\frac{1}{2}$  per cent to 17 per cent will release about \$190 million, and at country banks the change from  $11\frac{1}{2}$  per cent to 11 per cent will release approximately \$175 million.

“For central reserve city and reserve city banks, the effective date for the new requirements is March 20, 1958, and for country banks, April 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 April 1, 1958, and as to member banks in reserve and central reserve cities at opening of business on March 20, 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) 11 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) 17 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) 19 percent of its net demand deposits.

The supplements to Regulation D which have previously been issued are hereby revoked and superseded.