

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

July 28, 1960

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 reducing margin requirements to 70 percent, effective July 28, 1960. The press statement issued in connection with this 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 reducing margin requirements from 90 percent to 70 percent, effective July 28, 1960.

“The reduced 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

Section 220.8—SUPPLEMENT

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective July 28, 1960

(a) **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 § 220.3, shall be 30 percent of its current market value.

(b) **Margin required for short sales in general accounts.**—The amount to be included in the adjusted debit balance of a general account, pursuant to § 220.3(d) (3), as margin required for short sales of securities (other than exempted securities) shall be 70 percent of the current market value of each such security.

(c) **Retention requirement for general accounts.**—In the case of a general account which would have an excess of the adjusted debit balance of the account over the maximum loan value of the securities in the account following a withdrawal of cash or securities from the account, the “retention requirement” of a registered security (other than an exempted security), pursuant to § 220.3(b) (2), shall be 50 percent of its current market value.

SUPPLEMENT TO REGULATION U

Section 221.4—SUPPLEMENT

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective July 28, 1960

(a) **Maximum loan value of stocks.**—For the purpose of § 221.1, the maximum loan value of any stock, whether or not registered on a national securities exchange, shall be 30 percent of its current market value, as determined by any reasonable method.

(b) **Retention requirement.**—For the purpose of § 221.1, in the case of a loan which would exceed the maximum loan value of the collateral following a withdrawal of collateral, the “retention requirement” of a stock, whether or not registered on a national securities exchange, shall be 50 percent of its current market value, as determined by any reasonable method.