

FEDERAL RESERVE BANK OF DALLAS
DALLAS, TEXAS

February 10, 1964

**AMENDMENT TO REGULATION D,
“RESERVES OF MEMBER BANKS”**

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

There is enclosed a copy of an amendment to Regulation D, adopted by the Board of Governors of the Federal Reserve System effective January 29, 1964. The amendment deletes from section 204.2(b) of Regulation D the last sentence, which read:

The word “banks” in the term “due from other banks” refers to incorporated banks and does not include private banks or bankers.

The purpose of the amendment is to permit member banks, in computing their required reserves, to deduct from the amount of their gross demand deposits any balance subject to immediate withdrawal due from a private bank or banker that conducts a banking business similar to that of an incorporated bank.

Please file this amendment with Regulation D, “Reserves of Member Banks,” in the ring binder of bulletins and regulations furnished by this bank.

Yours very truly,

Watrous H. Irons

President

RESERVES OF MEMBER BANKS

AMENDMENT TO REGULATION D

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective January 29, 1964, section 204.2(b) is amended to read as follows:

SECTION 204.2—COMPUTATION OF RESERVES

(b) **Deductions allowed in computing reserves.**— In determining the reserve balances required under the terms of this part, member banks may deduct from the amount of their gross demand deposits the amounts of balances subject to immediate withdrawal due from other banks and cash items in process of collection as defined in § 204.1(g). Balances “due from other banks” do not include balances due from Federal Reserve banks, balances (payable in dollars or otherwise) due from foreign banks or branches thereof wherever located, or balances due from foreign branches of domestic banks.⁶

⁶A member bank exercising fiduciary powers may not include in balances “due from other banks” amounts of trust funds deposited with other banks and due to it as trustee or other fiduciary. If trust funds are deposited by the trust department of a member bank in its commercial or savings department and are then redeposited in another bank subject to immediate withdrawal they may be included by the member bank in balances “due from other banks,” subject to the provisions of § 204.2(b).