

FEDERAL RESERVE BANK OF DALLAS  
DALLAS, TEXAS

November 24, 1964

SUPPLEMENT TO REGULATION Q

To All Member Banks in the  
Eleventh Federal Reserve District:

Effective November 24, 1964, the Board of Governors of the Federal Reserve System increased the maximum rates that member banks are permitted to pay on savings deposits and time deposits — including certificates of deposit — to the following levels:

- (1) 4 per cent on savings deposits regardless of the time the funds have been on deposit. The maximum rates previously permissible were 3½ per cent on savings deposits in the bank for less than one year and 4 per cent on those on deposit for one year or more.
- (2) 4 per cent on time deposits and certificates of deposit for maturities of less than 90 days and 4½ per cent for all longer maturities. The maximum rates previously permissible were 1 per cent for maturities of less than 90 days and 4 per cent for longer maturities.

The changes were effected by revision of the Supplement to the Board's Regulation Q. A copy of the revised Supplement is attached.

Member banks are requested to insert the new Supplement in their ring binders containing the Regulations of the Board of Governors and the Bulletins of this bank. The Supplement effective July 17, 1963, should be destroyed.

Yours very truly,

Watrous H. Irons

President

# SUPPLEMENT TO REGULATION Q

## SECTION 217.6

### Maximum Rates of Interest Payable on Time and Savings Deposits by Member Banks

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
EFFECTIVE NOVEMBER 24, 1964

Pursuant to the provisions of section 19 of the Federal Reserve Act and § 217.3, 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:

(a) **Maximum rate of 4½ per cent.**—No member bank shall pay interest accruing at a rate in excess of 4½ per cent per annum, compounded quarterly,<sup>2</sup> regardless of the basis upon which such interest may be computed, on any time deposit having a maturity date 90 days or more after the date of deposit or payable upon written notice of 90 days or more.

(b) **Maximum rate of 4 per cent.**—No member bank shall pay interest accruing at a rate in excess of 4 per cent per annum, compounded quarterly,<sup>2</sup> regardless of the basis upon which such interest may be computed:

- (1) On any savings deposit, or
- (2) On any time deposit having a maturity date less than 90 days after the date of deposit or payable upon written notice of less than 90 days.

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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.