

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 70-19
January 26, 1970

REGULATION Q

To All Member Banks
in the Eleventh Federal Reserve District:

There is quoted below the text of a press release issued January 23, 1970, by the Board of Governors of the Federal Reserve System, relating to possible retroactive payments on passbook savings at commercial banks.

The Board of Governors of the Federal Reserve System said today that for accounting convenience, member commercial banks which increase their interest rate on passbook savings may, if they desire, compute interest at the new rate from January 1, 1970, on savings deposits held on January 20, the date the Board announced a new structure of maximum interest rates payable on deposits.

The Board approved a maximum interest rate on passbook savings, effective January 21, of 4.50 per cent, compared with the previous maximum of 4 per cent. Permission for member banks to compute interest on passbook savings at the new rate beginning January 1 was granted to avoid additional complexities in making interest computation.

Yours very truly,

P. E. Coldwell

President