

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 71-52

March 3, 1971

To the Chief Executive Officer of
the Member Bank addressed in the
Eleventh Federal Reserve District:

In our Circular No. 70-305, dated December 31, 1970, you were advised that we no longer require the execution of a promissory note or written application in connection with an advance from us. In lieu of the promissory note, advances are generally made under a Continuing Lending Agreement (Form LD-176). Copies of the agreement were enclosed with our circular for execution by an officer authorized to borrow and a request that one copy be returned to us.

To date, we have not received a copy of the agreement form from your bank. In order to borrow under the new arrangement, it will be necessary for you to complete and return one copy of the enclosed agreement form.

Yours very truly,

P. E. Coldwell

President

Enclosures

CONTINUING LENDING AGREEMENT

REGARDING ADVANCES BY FEDERAL RESERVE BANK OF DALLAS

1. The undersigned member bank (hereafter called "the member bank") promises to pay to the Federal Reserve Bank of Dallas (hereafter called "the Reserve Bank") the amount of each advance made pursuant to this Agreement by the Reserve Bank to the member bank at the maturity date thereof, as such amount and maturity date are specified in an advice of credit prepared and transmitted by the Reserve Bank to the member bank at the time of such advance, subject to all provisions of this Agreement and to all applicable terms and conditions set forth in the Reserve Bank's Operating Bulletins, Regulation A of the Board of Governors of the Federal Reserve System, and the Federal Reserve Act. The member bank further promises to pay interest on each such advance at the rate and in the manner provided in the Reserve Bank's Operating Bulletins and Supplements thereto.

2. The member bank authorizes the Reserve Bank to charge the member bank's reserve account with the amount of each advance and interest thereon at or after its maturity.

3. As security for the payment of each advance when due, the member bank pledges to the Reserve Bank the collateral agreed upon by the member bank and the Reserve Bank. Such collateral is also pledged by the member bank as security for all other liabilities of such bank due or to become due to the Reserve Bank or which may be acquired by the Reserve Bank.

4. As further security for the payment of each advance, the Reserve Bank shall have a lien upon, or security interest in, all property (tangible and intangible) of the member bank in the possession or under the control of the Reserve Bank, including but not limited to items in process of collection and the proceeds thereof and any balance to the credit of the member bank with the Reserve Bank.

5. Upon the request of the Reserve Bank, the member bank will substitute collateral or pledge such additional collateral as the Reserve Bank may deem necessary for its protection.

6. In the event of nonpayment of any advance when due or upon failure of the member bank to comply with a request by the Reserve Bank for substitute or additional collateral, the Reserve Bank shall have all the rights of a secured creditor, including the right to sell all or any part of the collateral at public or private sale without demand upon or notice to the member bank (except such notice as may be required by applicable statute and may not be waived) and to become the purchaser of the whole or any part of such collateral, free from any equity of redemption and from all other claims to the extent permitted by applicable statute. After deduction of all expenses, the proceeds of such collateral may be applied by the Reserve Bank to the payment of such advance and of all other liabilities of the member bank to the Reserve Bank, and any surplus then remaining shall be paid to the member bank.

7. Any advance made pursuant to this Agreement shall become immediately due and payable, without demand or notice, upon (a) the failure of the member bank to perform any agreement hereunder or to pay any liability of the member bank to the Reserve Bank when due; or (b) the insolvency of, or the appointment of a receiver for, the member bank; or (c) the suspension or closing of the member bank, or the taking possession of its business, by any governmental authority.

8. Upon the happening of any event described in paragraph 7 of this Agreement, the Reserve Bank shall have the right to set off against the amount of any advance any indebtedness of the Reserve Bank to the member bank, whether or not due.

(Name of member bank)

(Address)

By _____
(Authorized officer)

Date: _____