

# FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 72-143  
July 17, 1972

TO THE CHIEF EXECUTIVE OFFICER OF SELECTED MEMBER  
BANKS IN THE ELEVENTH FEDERAL RESERVE DISTRICT:

You have previously been provided the press release and the official notices issued by the Board of Governors of the Federal Reserve System in connection with the proposed changes in Regulations D and J. This information was transmitted to you with this Bank's Circular No. 72-134 dated June 28, 1972. The last two pages of that material provided a procedure for the special waiver of penalties for deficiencies in reserves resulting from the loss of funds due to the forthcoming changes in Regulations D and J.

We have calculated the amount of deficiency for your bank which is eligible for this special waiver of penalties. The attached form provides the detailed calculations for your bank. The amount, if any, at the bottom of the form is the amount of deficiency which is eligible for this special waiver for the reserve computation periods beginning September 27, 1972 and ending December 27, 1972. If your bank does not qualify for this special waiver, the word "none" has been inserted on the form. If your bank is eligible for special waivers after December, you will be notified in December.

The instructions provide that the loss to each member bank should be calculated as the average amount of the bank's Federal Reserve cash letter for which it makes earlier payment, less the average amount of same-territory country items for which the bank will receive earlier credit or two percent of its net demand deposits, whichever is less, less the average reduction in reserve requirements due to the change in Regulation D. In our calculations, we have deducted two percent of your net demand deposits rather than the average amount of same-territory country items for which you will receive earlier credit. If you determine that the average amount of same-territory country items for which you will receive earlier credit is less than two percent of your net demand deposits, please notify us immediately since this may change the calculations on the attached form.

The amount of allowable deficiency, if any, which is on the bottom line of the attached form, will be treated as a reserve credit on the statements of reserve position which we provide to you. This amount will be shown as a separate item for the reserve computation period ending

September 27, 1972 and thereafter as long as it is applicable. This amount will be included in the total reserves maintained at the Federal Reserve Bank prior to calculating any excess or deficiency to be carried forward to the next reserve computation period.

If you have any comments or questions regarding the calculations provided on the attached form, please notify the Federal Reserve office for the territory in which your bank is located prior to August 15, 1972. If we do not hear from you prior to that time, we will assume that you are in agreement with our calculations.

Should you or your officers have any questions concerning this procedure, please feel free to write or call collect for Messrs. E. W. Vorlop, Jr., Vice President and Controller or C. L. Vick, Operations Officer, at the Head Office. Our branch officers stand ready to assist any bank in their respective territories.

Yours very truly,

P. E. Coldwell

President

Attachment

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

TO:

COMPUTATION OF AMOUNT OF DEFICIENCY FOR WHICH PENALTIES  
ARE ELIGIBLE FOR SPECIAL WAIVER DUE TO THE CHANGES IN  
REGULATIONS D AND J

Daily average net demand deposits for the  
period June 1 through June 28, 1972

\$ \_\_\_\_\_

Amount of average cash letter received from  
the Federal Reserve Bank for the period  
June 1 through June 28, 1972

DEDUCT:

Two percent of daily average net demand  
deposits for the period June 1 through  
June 28, 1972\*

Average reduction in reserve requirement  
based on net demand deposits for the  
period June 1 through June 28, 1972 due  
to the change in Regulation D which be-  
comes effective the reserve computation  
period ending September 27, 1972

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NET LOSS OF FUNDS

Deduct two percent of daily average net demand  
deposits for the period June 1 through  
June 28, 1972

\_\_\_\_\_

Amount of deficiency on which penalties will  
be waived for the reserve periods ending  
September 27, 1972 through December 27, 1972\*\*

\$ \_\_\_\_\_

*\*This figure may be replaced by the average amount of same-territory country items for which you received earlier credit if that amount is smaller.*

*\*\*The amount of deficiency, if any, on which penalties will be waived after December 27, 1972 will be furnished to you in December 1972.*