

# FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 72-218  
September 20, 1972

## CHANGES IN RESERVES AND PAYMENT OF CASH LETTERS

To All Banks in the Eleventh  
Federal Reserve District:

There follows the text of a press release issued today by the Board of Governors of the Federal Reserve System.

"The Board of Governors of the Federal Reserve System today postponed the effective date of amendments to its Regulations D and J which had been scheduled to go into effect on September 21.

"This action resulted from the issuance of a temporary restraining order by the U. S. District Court for the District of Columbia on a petition filed by the Independent Bankers Association of America and the Western Independent Bankers.

"The amendment to Regulation D represents a restructuring of reserve requirements on demand deposits and will apply the same reserve requirements to member banks of like size, regardless of their location. The amendment to Regulation J will require all banks served by the Federal Reserve check collection system to pay for checks in immediately available funds on the day of presentment.

"Strict compliance with the court's order would restrain implementation only as to a limited group of banks and only with respect to Regulation J. However, in view of the adverse effect on the payments mechanism if implementation of the Regulation J proposals were fragmented, and, considering the adverse monetary policy impact should the reserve requirement adjustment under Regulation D be effected without the accompanying Regulation J changes, the Board has determined that it is necessary to postpone the effective date of both regulatory amendments, pending judicial determination and subsequent action by the Board."

Yours very truly,

P. E. Coldwell

President