

FEDERAL RESERVE BANK OF DALLAS
DALLAS, TEXAS 75222

Circular No. 73-136
June 7, 1973

RATE CEILINGS--REGULATION Q

To All Member Banks and Others Concerned
in the Eleventh Federal Reserve District:

On June 1, 1973, the Board of Governors announced the following concerning Regulation Q.

"The Board of Governors of the Federal Reserve System today called on member banks to observe existing rate ceilings established by Regulation Q pursuant to Public Law 89-597, notwithstanding a temporary hiatus in that authority.

The flexible rate-ceiling procedures established by that statute lapsed today although legislation to extend the authority has passed both Houses of Congress. Differences between the House and Senate versions of this legislation are being worked out in a conference between the House and Senate, but the conferees have already agreed to an extension of the flexible rate-ceiling authority to December 31, 1974. Differences in the two versions of the legislation unrelated to basic Regulation Q provisions, however, will require more time to resolve. Until the legislation is finally enacted, the Board urges member banks to observe the present provisions of Regulation Q established under the law that Congress clearly intends to continue in force."

Yours very truly,

P. E. Coldwell,

President