

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 74-92
March 29, 1974

SEASONAL BORROWING PRIVILEGE

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

As you know, in April 1973 the Federal Reserve System revised its Regulation A. The major change in this regulation concerns the seasonal borrowing privilege.

The seasonal borrowing privilege is designed to assist banks which have recurring problems of fund availability lasting for eight or more consecutive weeks. Additionally, eligible banks are required to provide a portion of seasonal needs from other resources; this is a nominal amount, only 5% of average total deposits of the preceding calendar year. Additional seasonal needs may be met by borrowing from this Reserve Bank.

Our analysis of your bank, based on past movements in deposits and loans, indicates that you may qualify for seasonal credit, and we would like the opportunity to discuss this matter with you. We suggest that you contact Mr. Leon W. Cowan in Dallas (214-651-6225) or the appropriate officer at the branch of this Bank serving the territory in which your bank is located. In order that we may make necessary arrangements, we suggest that discussions covering your use of the seasonal borrowing privilege take place several weeks prior to the time funds will be needed.

Additionally, our Bulletin 2 provides additional information covering all of the credit facilities of this Reserve Bank, and we always welcome your questions concerning any aspects of our operation.

Yours very truly,

P. E. Coldwell

President