

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 75-20
February 5, 1975

SEASONAL BORROWING PRIVILEGE

TO THE CHIEF EXECUTIVE OFFICER
OF THE MEMBER BANK ADDRESSED IN
THE ELEVENTH FEDERAL RESERVE DISTRICT:

Two years ago the Federal Reserve System revised its Regulation A for the purpose of making credit more readily available to member banks which experience seasonal problems. 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 percent of average total deposits of the preceding calendar year. Seasonal needs beyond the deductible amount 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 the appropriate officer at the Head Office or 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 further information covering all of the credit facilities of this Reserve Bank, and we always welcome your questions concerning these or other aspects of our services.

Sincerely yours,

T. W. Plant

First Vice President