



American Revolution Bicentennial

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 75-153
October 14, 1975

SUSPENSION OF APPLICABILITY OF REGULATIONS D AND Q TO "LOAN-TO-LENDER" TYPE PROGRAMS

TO ALL MEMBER BANKS
AND OTHERS CONCERNED IN THE
ELEVENTH FEDERAL RESERVE DISTRICT:

Reference is made to this Bank's Circular No. 75-118, dated August 18, 1975, transmitting the views of the Board of Governors of the Federal Reserve System with respect to the applicability of Regulations D and Q to promissory notes issued by member banks to State or municipal housing authorities under "Loan-to-Lender" programs. There is quoted below a portion of a letter dated September 29, 1975, which indicates that the Board of Governors has decided to review its decision regarding the "deposit" status of these obligations:

Since the announcement of that determination, the Board has received requests from member banks, State housing authorities and others requesting that the Board review its earlier action. These requests urge that treatment of Loan-to-Lender obligations as "deposits" will have an adverse impact upon the ability of member banks to participate in these State-sponsored housing programs. Based upon additional information that has been provided to the Board, and in response to these requests, the Board has decided to review its decision regarding the "deposit" status of these obligations.

During the pendency of its review of Loan-to-Lender programs, the Board believes it appropriate to suspend the effectiveness of its prior determination and, therefore, to waive the maintenance of reserve requirements. . . .

With respect to "Loan-to-Lender" type programs, questions relating to Regulation D, "Reserves of Member Banks," should be directed to this Bank's Accounting Department (214) 651-6334, and questions concerning Regulation Q, "Interest on Deposits," should be directed to this Bank's Regulations Department (214) 651-6169.

Sincerely yours,

T. W. Plant

First Vice President