



American Revolution Bicentennial

## FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 76-149  
November 4, 1976

### REGULATION Y--BANK HOLDING COMPANIES

#### Nonbanking Activities of Bank Holding Companies

TO ALL BANKS, BANK HOLDING COMPANIES,  
AND OTHERS CONCERNED IN THE  
ELEVENTH FEDERAL RESERVE DISTRICT:

The Board of Governors of the Federal Reserve System has deferred action on a proposal to make underwriting and dealing in Federal Government securities and general obligations of States or their subdivisions (municipal securities) a permissible activity for bank holding companies.

The Board also suspended further consideration of applications by bank holding companies to engage in the activity, and announced in consequence that it was deferring action on an application from United Bancorp, Roseburg, Oregon.

Action was deferred for 12 months unless before that time actions by the Municipal Securities Rulemaking Board--created by Congress in 1975 to regulate the municipal securities field--make reconsideration appropriate in the Board's judgment.

The Board proposed on April 2, 1974, to add to the list of permissible bank holding company activities underwriting and dealing in obligations of the United States, general obligations of any State and of any political subdivision thereof, and other obligations that State member banks are authorized to underwrite and deal in. Underwriting and dealing in U.S. Government securities and municipals is common among banks.

Copies of the Board's orders in this regard will be furnished upon request to the Secretary's Office of this Bank (214) 651-6267.

Sincerely yours,  
T. W. Plant  
First Vice President