

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 77-77

July 11, 1977

EXPIRATION OF PUBLIC LAW 93-501

TO THE CHIEF EXECUTIVE OFFICER  
OF ALL STATE MEMBER BANKS IN THE  
ELEVENTH FEDERAL RESERVE DISTRICT:

Public Law 93-501, which was enacted by Congress in 1974, established uniform interest rate ceilings which Federally-insured financial institutions could pay on business and agricultural loans in the amount of \$25,000 or more. Under the statute, the rate was tied to the Federal Reserve discount rate and was irrespective of contrary interest rate restrictions in state laws. The purpose of the legislation was to prevent disruption in the flow of credit in states where market rates exceeded prescribed state limits.

Public Law 93-501 expired on July 1, 1977. State member banks are advised to consult local legal counsel on the application of state law to their particular circumstances.

Sincerely yours,

Robert H. Boykin

First Vice President

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Banks and others are encouraged to use the following toll-free incoming WATS numbers in contacting this Bank: 1-800-492-4403 (intrastate) and 1-800-527-4970 (interstate). For calls placed locally, please use 651 plus the extension referred to above.