

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 78-28
March 7, 1978

AMENDMENT TO REGULATION O

Loans to Executive Officers of Member Banks

TO ALL MEMBER BANKS IN THE
ELEVENTH FEDERAL RESERVE DISTRICT:

The Board of Governors of the Federal Reserve System has amended, effective March 24, 1978, its Regulation O, "Loans to Executive Officers of Member Banks," to increase from \$1,000 to \$5,000 the limit imposed upon member banks' extensions of credit to their own executive officers through the use of bank credit cards and similar plans.

Member banks should file the copy of the amendment, which is printed on the reverse of this circular, in their Regulations Binders. If you have any questions regarding Regulation O, please contact Mr. Marvin C. McCoy or Mr. William C. Reddick, Jr., in the Bank Supervision and Regulations Department, Ext. 6275.

Additional copies of the amendment will be furnished upon request to the Secretary's Office of this Bank, Ext. 6267.

Sincerely yours,

Robert H. Boykin

First Vice President

Banks and others are encouraged to use the following 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.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

LOANS TO EXECUTIVE OFFICERS OF MEMBER BANKS

AMENDMENT TO REGULATION O†

Effective March 24, 1978, section 215.2(c) (iv) is amended to read as follows:

SECTION 215.2 — DEFINITIONS

* * * * *

(c) "Extension of credit" and "extend credit."***

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Such terms, however, do not include:

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(iv) Indebtedness arising by reason of general arrangements under which a bank (a) acquires charge or time credit accounts or (b) makes pay-

ments to or on behalf of participants in a bank credit card plan, check credit plan, or similar plan, except that this subdivision (iv) shall not apply to indebtedness of an executive officer to his own bank to the extent that the aggregate amount thereof exceeds \$5,000 or to any such indebtedness to his own bank that involves prior individual clearance or approval by the bank other than for the purpose of determining whether his participation in the arrangement is authorized or whether any dollar limit under the arrangement has been or would be exceeded.

† For this Regulation to be complete as amended March 24, 1978, retain:

- 1) Printed Regulation pamphlet as amended March 15, 1968;
- 2) This slip sheet