

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

**Circular No. 79-43
March 9, 1979**

SEASONAL BORROWING PRIVILEGE

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

As you may know, Federal Reserve Regulation A provides for a seasonal borrowing privilege for member banks. The intent of the program is to make credit available to member banks during the times a seasonal need for funds is clearly demonstrated.

To be eligible for this type of credit, a member bank should experience deposit and loan fluctuations which ordinarily recur at about the same time each year and impact adversely on the bank's funds availability for at least four consecutive weeks. Once such a seasonal need for funds is established, a deduction based on the member bank's total average deposits in the preceding year is applied. The deduction is calculated at 4 percent of the first \$100 million of deposits, 7 percent of the second \$100 million, and 10 percent of deposits over \$200 million. A seasonal need beyond the deductible amount can be provided for at the discount window.

An analysis of deposit and loan data for preceding years shows that your bank appears to qualify for seasonal credit during 1979. Member banks in the Head Office territory that would like to utilize the seasonal loan program, should contact Jesse D. Sanders or Billy J. Hayden in the Loan Department at this Bank, Ext. 6240. Interested member banks located in the territory served by a Branch of this Bank should contact the individual at the appropriate Branch as indicated below:

El Paso Branch

Robert W. Schultz, (915) 544-4730, Ext. 41;

Houston Branch

C. O. Holt, Jr., (713) 659-4433, Ext. 44;

San Antonio Branch

**Thomas C. Cole, (512) 224-2141, Ext. 13;
or you may call on the incoming WATS number
1-800-292-5810, Ext. 13.**

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.

The above-named individuals will be pleased to provide detailed information concerning the seasonal borrowing privilege and will assist you in any way possible.

In order that the necessary arrangements can be made, discussions covering use of the seasonal credit should begin about two weeks before the time the funds will be needed.

Sincerely yours,

Ernest T. Baughman

President