

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 79-86

May 14, 1979

**REGULATION Q--WAIVER FOR IOWA DEPOSITORS AND AMENDMENT
TO THE RULES REGARDING DELEGATION OF AUTHORITY**

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

The Board of Governors of the Federal Reserve System has granted temporary suspension of the Regulation Q penalty for early withdrawal of time deposits from member banks for those depositors affected by the recent storms in Iowa. The Board's action permits a member bank, wherever located, to pay a time deposit before maturity without imposing the penalty upon a showing that the depositor suffered property loss in the emergency area. The action is valid for deposits withdrawn between April 6, 1979, and September 30, 1979.

In a related action, the Board amended its Rules Regarding Delegation of Authority to delegate to the Board's Secretary the power to permit member banks to waive the early withdrawal penalty in similar situations for depositors suffering emergency-related losses in areas declared an emergency area by the President. The amendment to the Rules was effective April 26, 1979.

Printed on the reverse of this circular is a copy of the amendment. Member banks and others that maintain Regulations Binders should file the amendment in their binders. Any questions may be directed to our Consumer Affairs Section of the Bank Supervision and Regulations Department, Ext. 6171.

Additional copies of the amendment will be furnished upon request to the Secretary's Office, 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

RULES REGARDING DELEGATION OF AUTHORITY

AMENDMENT†

Effective April 26, 1979, Section 265.2(a), subparagraph (18) is amended to read as follows:

SECTION 265.2 — SPECIFIC FUNCTIONS
DELEGATED TO BOARD EMPLOYEES AND
FEDERAL RESERVE BANKS

* * * * *

(a) The Secretary of the Board (or, in the Secretary's absence, the Acting Secretary) is authorized:

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(18) Under the provisions of section 19(j) of the Federal Reserve Act (12 U.S.C. §371b) and §§217.4(a) and (d) of Regulation Q (12 C.F.R. §§217.4(a) and (d)) to permit member banks to

waive the penalty for early withdrawal of a time deposit in §217.4(d) (Regulation Q), if all of the following conditions are met:

(i) The President of the United States declares an area a major disaster area or an emergency area pursuant to section 301 of the Disaster Relief Act of 1974 (42 U.S.C. §5141) and Executive Order No. 11795 of July 11, 1974.

(ii) A waiver is limited in effectiveness to depositors suffering disaster or emergency-related losses in the officially designated disaster or emergency area.

(iii) The appropriate Reserve Bank recommends approval.

(iv) All relevant divisions of the Board's staff recommend approval.

†For this publication to be complete as amended effective April 26, 1979, retain:

- 1) Printed pamphlet as revised effective August 2, 1978;
- 2) Amendment effective October 19, 1978, adding paragraph (7) to Section 265.2(b);
- 3) Amendment effective January 1, 1979, Section 265.2;
- 4) Amendment effective March 10, 1979, Section 265.2(f); and
- 5) This slip sheet.