

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 80-170 (B)
September 9, 1980

REVISED REGULATION D

TO THE CHIEF EXECUTIVE OFFICER
OF THE INSTITUTION ADDRESSED IN THE
ELEVENTH FEDERAL RESERVE DISTRICT:

As you may already be aware, with the passage of the Monetary Control Act of 1980 (Public Law 96-221), all depository institutions offering transaction accounts or nonpersonal time deposits will become subject to the Federal Reserve's Regulation D, Reserve Requirements. In the interest of reducing regulatory burden, the Federal Reserve Board in its revised Regulation D has deferred until May 1981 all reserve requirements and reporting for certain institutions with total deposits of less than \$1 million.

In addition to the deferral for very small institutions, the Board has adopted a procedure of quarterly rather than weekly reporting and reserve maintenance for certain institutions with total deposits of \$1 million or more but less than \$5 million. This procedure will begin in January 1981. Detailed information on reporting and reserve maintenance will be provided to these institutions later this year.

Institutions with total deposits of \$5 million or more will report and maintain reserves on a weekly basis. Reporting will begin for deposits as of October 30, 1980, and reserve maintenance will begin on November 13, 1980. Detailed information on both reporting and reserve maintenance will be provided to these institutions within the next several weeks.

Your institution may be eligible for the deferral or for quarterly rather than weekly reporting. To make this determination, the size of your institution is to be based on total deposits as of December 31, 1979. For institutions that have commenced operations since December 31, 1979, the latest available data should be used. To determine the amount of your institution's total deposits, total transaction accounts and total time and savings deposits (including all regular, certificates, and notice accounts), regardless of maturity and whether personal or nonpersonal, shall be aggregated.

Banks and others are encouraged to use the following incoming WATS numbers in contacting this Bank: 1-800-442-7140 (intrastate) and 1-800-527-9200 (interstate). For calls placed locally, please use 651 plus the extension referred to above.

The highlights of the new reserve requirement structure, as well as more information on the deferral for small institutions, are contained in the enclosed press release, Federal Register document, and copy of Regulation D. Also enclosed are the press release and Federal Register document detailing the pass-through guidelines and a brochure regarding the Monetary Control Act of 1980.

For additional information, contact Richard D. Ingram, Assistant Vice President, Ext. 6333.

We look forward to a pleasant association with your institution.

Sincerely yours,

Ernest T. Baughman

President

Enclosures