

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 80-190
October 1, 1980

LEGAL AGREEMENT FOR ESTABLISHING
PASS-THROUGH ACCOUNTS AT THE FEDERAL RESERVE BANK

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

In order to accommodate those nonmember depository institutions (respondents) which desire to pass-through required reserves to the Federal Reserve through a correspondent, there is enclosed a pass-through agreement for instituting a pass-through arrangement. The agreement should be initiated and executed by the respondent institution and forwarded to its designated correspondent. Since member banks must keep their reserve accounts directly with the Federal Reserve, only nonmember depository institutions may elect to maintain reserve balances on a pass-through basis. (Nonmember depository institutions which desire to maintain reserve requirements directly with the Federal Reserve do not need to concern themselves with this agreement. However, such nonmember depository institutions need to provide the appropriate Reserve Bank serving them written notification of their intentions.)

In accordance with the pass-through rules defined in Regulation D regarding account maintenance, the Eleventh District is exercising its option to require a pass-through correspondent to consolidate in a single account the reserve balances of all of the respondents whose main offices are located in more than one territory of the Eleventh Federal Reserve District. However, the pass-through correspondent may designate the office of the Eleventh District in which the account is to be maintained. Therefore, all pass-through agreements, completed in triplicate, should be returned to the Federal Reserve office in the Eleventh District where the correspondent pass-through account is to be maintained.

The pass-through correspondent should indicate on the pass-through agreement whether the pass-through account for its respondents is to become commingled with its own reserve account or is to be established as a separate commingled account for all of its respondents. Your expeditious handling and completion of this form would be appreciated since it must be returned to the appropriate Federal Reserve office no later than October 15, 1980.

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.

Any changes in or terminations of the pass-through agreement may be effected only in accordance with Bulletin 4, which is to be published in the near future. It should be noted that the revised Bulletin 4 will provide that any changes in the pass-through agreement shall be effective after three complete reserve maintenance periods following receipt of the executed legal agreement.

If you have any questions, please contact Richard D. Ingram at the Dallas Office, (214) 651-6333, or any officer at our El Paso, Houston, or San Antonio Branches.

Sincerely yours,

Robert H. Boykin

First Vice President

Enclosure

PASS-THROUGH AGREEMENT

TO: FEDERAL RESERVE BANK OF DALLAS (Federal)

[] Head Office
[] El Paso Branch

[] Houston Branch
[] San Antonio Branch

The undersigned Respondent and Correspondent agree as follows:

1. Respondent hereby selects Correspondent to pass through Respondent's required reserves to Federal.
2. Respondent shall maintain its reserves in an account at Correspondent, and Correspondent shall pass through such reserves to an account at Federal established pursuant to

[] § 204.3(i)(3)(i)(A) or
 [] § 204.3(i)(3)(i)(B) or
 [] § 204.3(i)(3)(iii)

of Regulation D.

3. Regulation D (12 CFR Part 204) and Federal's Bulletin 4 as they now exist or are hereafter amended provide additional terms and conditions as to this agreement, and the parties agree to comply therewith.
4. This agreement may be terminated only in accordance with Bulletin 4.
5. Effective date to be supplied by Federal: _____

(Respondent) Address

(Correspondent) Address

By _____
Title _____
Date _____

By _____
Title _____
Date _____

ACCEPTED AND AGREED TO:
FEDERAL RESERVE BANK OF DALLAS

By _____
Title _____
Date _____

(Note: Prepare in triplicate. After execution by both Respondent and Correspondent, forward all copies to Federal for acceptance. Upon acceptance, Federal will supply an effective date and return one copy each to Respondent and Correspondent.)