

**FEDERAL RESERVE BANK OF DALLAS**

**DALLAS, TEXAS 75222**

Circular No. 81-84  
April 27, 1981

**BULLETIN 2**

**"LOANS"**

TO THE CHIEF EXECUTIVE OFFICER  
OF ALL FINANCIAL INSTITUTIONS IN THE  
ELEVENTH FEDERAL RESERVE DISTRICT:

Effective May 1, 1981, the hours during which the discount window at this Bank is open will be extended to parallel the extended hours for wire transfers and other settlements made via the Fedwire network.

At our Dallas, Houston, and San Antonio Offices, the discount window will be open until 4 p.m. Central Time for routine advances, and until 5:30 p.m. Central Time if collateral has been prearranged. For our El Paso Office, the window will be open until 3 p.m. Mountain Time for routine advances, and until 4:30 p.m. Mountain Time with prearranged collateral.

To implement this change, Section 3.10(b) of our Bulletin 2 has been revised and a revised page 2 of that bulletin is enclosed. It should be filed in Volume 1 of the Regulations and Bulletins Binders furnished by the Federal Reserve Bank of Dallas, and the current page 2 should be destroyed.

Sincerely yours,

William H. Wallace

First Vice President

Enclosure

## Section 1, DEFINITIONS

### 1.00 Acceptable and acceptability

"Acceptable" and "acceptability" refer to the credit quality of paper and other collateral. Acceptability depends on the financial responsibility of makers, endorsers, or guarantors, or on the security behind the obligation, or on all of these, as appropriate. We determine to our own satisfaction the acceptability of paper and certain other collateral.

### 1.05 Act

"Act" means the Federal Reserve Act.

### 1.10 Advance

"Advance" means a borrowing under the Continuing Lending Agreement Regarding Advances by Federal Reserve Bank of Dallas (Form LD-176), or at our option on a note of the borrowing depository institution. All advances are secured.

*Reference: 3.05 and 5.35 of this bulletin.*

### 1.15 Authorized officer and duly authorized officer

"Authorized officer" and "duly authorized officer" mean, for purposes of this bulletin, an officer or other agent of a depository institution currently holding one of the positions which the depository institution's borrowing resolution authorizes to borrow from this Bank, and whose signature is currently on file with us.

*Reference: 3.30 and 5.05 of this bulletin.*

### 1.20 Borrow and borrowing

"Borrow" and "borrowing" refer to a depository institution receiving an extension of credit from this Bank.

*Reference: 3.00, 4.00, and 4.05 of this bulletin.*

### 1.25 Collateral

"Collateral" refers to obligations in the form of securities or paper which a borrowing depository

institution pledges to secure an advance.

*Reference: sections 6, 7, and 8 of this bulletin.*

### 1.30 Depository institution

"Depository institution" means a member bank or another depository institution, as that term is defined in section 19(b) of the Act, which holds transaction accounts or nonpersonal time deposits and which is eligible to obtain advances from or discounts with a Federal Reserve Bank.

### 1.35 Basic rate

"Basic rate" refers to the lowest rate charged for borrowing. It is fixed by our Board of Directors subject to review and determination by the Board of Governors of the Federal Reserve System.

*Reference: Supplement A to this bulletin for current rates.*

### 1.40 Paper

"Paper" refers to notes and similar obligations of various obligors, usually customers of borrowing depository institutions.

*Reference: section 7 of this bulletin.*

### 1.45 Reference to Bulletin 1

Several definitions, rules of construction, and other provisions applicable to this bulletin are found in our Bulletin 1, "General Provisions," and are incorporated herein by reference.

## Section 2, REFERENCES

In addition to the specific references found throughout this bulletin, the following general references are important to an understanding of borrowing transactions with this Bank:

- (1) Section 201.1(b) of Regulation A, containing general principles concerning the use of Federal Reserve credit.
- (2) Section 201.2 of Regulation A, covering definitions of depository institutions eligible to borrow.
- (3) Section 201.3 of Regulation A, covering availability and terms.

(4) Section 201.4 of Regulation A, covering advances and discounts.

(5) Section 201.5 of Regulation A, covering general requirements.

(6) The following portions of the Act: sections 4(8), 9(13), 10(b), 12(2), 13(2), 13(3), 13(4), 13(5), 13(6), 13(7), 13(8), 13(10), 13(12), 13(13), 13a(1), 13a(2), 13a(4), 14(5), 19(5), and 24(4).

## Section 3, UNIFORM PROVISIONS<sup>1</sup>

### 3.00 Kinds of credit accommodations

Under provisions of the Federal Reserve Act and subject to Regulation A and in the light of the general principles set forth in that regulation, we are authorized to make credit available to depository institutions by the following means:

(a) We may make advances to a depository institution, pursuant to section 10(b) of the Act, for periods not to exceed four months,<sup>2</sup> secured to our satisfaction, whether or not the collateral meets the requirements of paragraphs (b) or (c) below.

(b) We may make advances to a depository institution, pursuant to section 13 of the Act, for periods not exceeding 90 days,<sup>2</sup> on the security of obligations of, or fully guaranteed as to both principal and interest by, the United States or any agency of the United States.

(c) We may make advances to a depository institution, pursuant to section 13 of the Act, for periods not exceeding 90 days,<sup>2</sup> on the security of any paper eligible for discount or for purchase by the Reserve Banks under provisions of the Act.

(d) We may discount customers' paper of a depository institution, pursuant to sections 13 and 13a of the Act, if such paper satisfies the "eligibility" requirements set forth in section 201.4 of Regulation A. In ordinary circumstances, we would prefer to make advances secured by such collateral.

*Reference: section 4 of this bulletin for the various programs by which credit is extended under the statutory provisions cited above, and particularly 4.05 for the usual method of extending credit. Also, 201.3 of Regulation A.*

### 3.05 Continuing lending agreement

In general, we will make advances to a depository institution pursuant to a continuing lending agreement (Form LD-176) to be executed by a duly authorized officer of the depository institution; and particular advances pursuant to such agreement will be evidenced by an advice of credit that we shall transmit to the depository institution at the time of the particular advance, specifying the amount and maturity of the advance and the rate of interest with respect thereto. However, we reserve the right at any time to require the execution by any depository institution of a promissory note with respect to a particular advance or particular advances.

*Reference: 5.35 of this bulletin.*

### 3.10 Granting of credit accommodations

(a) In general, we do not require that a request for an advance be accompanied by a written application, and any such request may be made by telephone, letter, or wire by an authorized officer of a depository institution. However, we reserve the right to require the submission of a written application. Each request for an advance must specify the amount and maturity of the requested advance, the collateral offered as security, and, in the event such collateral is not already held by us, the manner in which such collateral will be placed in our possession, under our control, or otherwise pledged to us. Any depository institution desiring to discount paper with us, as indicated in 3.00(d) above, should consult us regarding the procedure to be followed.

(b) If a request for credit is received by us before 4 p.m. (or 5:30 p.m. when collateral has been prearranged) and the request is approved, the borrowing depository institution will be given immediate credit in its reserve or clearing or other account on our books unless the depository institution requests that credit be given on a subsequent day. (For our El Paso Branch, the times are 3 p.m. and 4:30 p.m. Mountain Time, respectively.)

### 3.15 Collateral security

(a) Collateral offered as security for any ad-

<sup>1</sup>Section 3 contains uniform provisions on extensions of credit adopted by all Federal Reserve Banks. Sections 5 through 8 contain information, procedures, and other provisions applicable only to the Federal Reserve Bank of Dallas.

<sup>2</sup>It is expected, however, that advances normally will be for shorter periods commensurate with the period of time Federal Reserve credit is actually needed.