

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 82-50
April 30, 1982

REGULATION D

Reserve Requirements of Depository Institutions

Final Amendment

TO ALL DEPOSITORY INSTITUTIONS
AND OTHERS CONCERNED IN THE
ELEVENTH FEDERAL RESERVE DISTRICT:

Printed below is the text of a Board of Governors press release issued April 28, 1982 regarding a final amendment to Regulation D modifying reserve requirements on nonpersonal time deposits.

"The Federal Reserve Board today announced a modification of reserve requirements on long-term nonpersonal time deposits.

Under the change, nonpersonal time deposits with original maturities of 3-1/2 years or more will have no required reserve. Nonpersonal time deposits with original maturities of less than 3-1/2 years will continue to be subject to a 3 percent reserve requirement.

The existing Board regulation provides for a 3 percent reserve requirement on all nonpersonal time deposits with original maturities of less than 4 years. The new action was taken in light of authority granted by the Depository Institutions Deregulation Committee for a new ceiling-free time deposit with an original maturity of 3-1/2 years or more which may be offered by institutions beginning May 1 in either negotiable or nonnegotiable form.

Under the Monetary Control Act, a negotiable time deposit is defined as nonpersonal and thus subject to reserve requirements regardless of ownership.

Depository institutions will be required to maintain reserve requirements based on this modification beginning May 13 (based on deposit levels for the week of April 29 through May 5).

This action should not be regarded as a commitment by the Board to continue shortening the maturity of time deposits subject to this reserve requirement in line with the announced schedule of DIDC for ceiling-free deposits. Future decisions of this nature will depend on experience and prevailing monetary and credit conditions."

A copy of the Federal Register Document in this regard will be furnished in the near future. However, if you have any questions, please contact Thomas H. Rust of this Bank, Ext. 6333, William L. Wilson, El Paso Branch, (915) 544-4730; Sammie C. Clay, Houston Branch, (713) 659-4433; or Tony G. Valencia, San Antonio Branch, (512) 224-2141.

Additional copies of this circular or the press release will be furnished upon request to the Department of Communications, Financial and Community Affairs, Ext. 6289.

Sincerely yours,



William H. Wallace
First Vice President