

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 82-167
December 20, 1982

REGULATION T
CREDIT BY BROKERS AND DEALERS
(Amendment)

TO ALL MEMBER BANKS, OTHER
CREDITORS, AND OTHERS CONCERNED
IN THE ELEVENTH FEDERAL RESERVE DISTRICT:

The Board of Governors of the Federal Reserve System has amended, effective January 17, 1983, its Regulation T to specify the characteristics of private mortgage pass-through securities that may be used as collateral for margin credit. This action was proposed in Circular No. 82-127 dated October 7, 1982.

Enclosed are copies of the Board's press release and the material as submitted for publication in the Federal Register.

Questions concerning the material contained in this circular should be directed to this Bank's Legal Department, Extension 6171.

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

Sincerely yours,



William H. Wallace
First Vice President

Enclosure

DEPOSITORY INSTITUTIONS DEREGULATION COMMITTEE
Washington, D.C. 20220

PRESS RELEASE

December 8, 1982

Depository Institutions Deregulation Committee

December 6, 1982 Meeting

At its meeting on December 6, 1982, the Depository Institutions Deregulation Committee (DIDC) took the following actions:

° NOW Accounts. The DIDC authorized a new NOW account effective January 5, 1983, with the same features as the money market deposit account (MMDA) effective December 14, 1982, except that it will permit unlimited transactions. The new account will be made available only to those depositors eligible under Federal law to have NOW accounts (individuals, certain nonprofit corporations, and governmental units). Under the Federal Reserve's Regulation D, NOW accounts are generally subject to reserve requirements of 12 percent.

° Transaction Feature for the MMDA. The DIDC also voted to request public comment on authorizing depository institutions to offer to business organizations an MMDA with unlimited transactions features. The public comment period will last for 45 days after the proposal is published in the Federal Register.

° Telephone Transfers on the MMDA. The DIDC voted to have telephone transfers counted among the six transfers permitted each month on the MMDA. The November 15, 1982 decision to allow unlimited telephone transfers on the MMDA was thus reversed.

° The 7- to 31-Day Account. The DIDC voted to remove the ceiling on the 7- to 31-day account effective January 5, 1983. The ceiling on this account has been suspended since September 8, 1982, because the 91-day Treasury bill rate, to which the account is indexed, has been below 9 percent. If the auction average on the 91-day Treasury bill (discount basis) rises above 9 percent in any weekly auction between now and January 5, there will be a ceiling and a differential on this account until January 5, 1983.

° \$2,500 Minimum Denominations. The DIDC voted to reduce to \$2,500 the minimum denominations of the \$10,000, six-month money market certificate; the \$7,500, 91-day account; and the \$20,000, 7-to 31-day account. This action will be effective January 5, 1983.

° Public Comment. In addition to the transaction features on the MMDA, the DIDC voted to seek public comment on the following issues: changing a number of features of the 91-day account and the 6-month money market certificate to make the regulations on these accounts more consistent; several options for accelerating the schedule to remove the deposit rate ceilings on existing accounts; a schedule to reduce the \$2,500 minimum denominations on the short-term accounts to zero over the next three years; and a proposal to rescind the ceilings on fixed-rate account categories when their maturities are greater than the minimum maturity on the Committee's deregulation schedule. The public comment period will last for 45 days after the proposals are published in the Federal Register.

° Next Meeting. The next meeting will be on Tuesday, March 1, 1983, at 3:00 p.m. in the Cash Room in the Main Treasury Building at 15th and Pennsylvania Avenue, N.W., Washington, D.C.