

# FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 83-44

March 21, 1983

## REGULATION Q

### INTEREST ON DEPOSITS

(Modifications to Existing Time Deposit Accounts)

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

Under the current deregulation plan announced last year by the Depository Institutions Deregulation Committee, three presently existing time deposit categories which are authorized by Federal Reserve Regulation Q (Interest on Deposits) will be modified during April and May of 1983. Previous announcements of these changes and further information are contained in Federal Reserve Bank of Dallas Circular No. 82-43 and Circular No. 83-5. A summary of the modifications which will take place during April and May and references to the pertinent sections of Regulation Q are outlined below.

#### April 1, 1983

##### 3 1/2 years or longer ceilingless time deposit

Change: The term to maturity will be reduced to 2 1/2 years or longer. (Regulation Q, Section 217.7(k))

##### 2 1/2 years to less than 3 1/2 years time deposit

Change: The term to maturity will be reduced to 1 1/2 years to less than 2 1/2 years. The interest rate ceiling will be indexed to the average yield for 1 1/2 year Treasury securities with the 25 basis point differential retained. (Regulation Q, Section 217.7(g))

#### May 1, 1983

##### 91-day time deposit

Change: The 25 basis point differential between the interest rate ceiling authorized for commercial banks and the ceiling authorized for savings and loan associations will be eliminated. The ceiling rate for all institutions will be indexed to the 91-day Treasury bill rate. (Regulation Q, Section 217.7(j)(2)(iii))

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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.

Technical amendments to Regulation D (Reserve Requirements of Depository Institutions) concerning the reserve requirements associated with the April 1, 1983 changes will be announced shortly in a separate circular.

Questions regarding this circular should be directed to the Legal Department, Extension 6171.

Additional copies of this circular will be furnished upon request to the Public Affairs Department, Extension 6289.

Sincerely yours,

A handwritten signature in cursive script that reads "William H. Wallace". The signature is written in dark ink and is centered on the page.

William H. Wallace  
First Vice President