

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 83-56  
April 15, 1983

REGULATION D

RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS

(Revised Slip Sheet)

TO ALL DEPOSITORY INSTITUTIONS IN THE  
ELEVENTH FEDERAL RESERVE DISTRICT:

There is attached a current copy of all amendments to Regulation D (Reserve Requirements of Depository Institutions) as effective March 31, 1983. This revised slip sheet, dated April 1983, should be filed with Regulation D in the Regulations Binder furnished by this Bank.

If you have any questions in this regard, please contact Allan Neale, (214) 651-6334 at the Head Office; Javier Jimenez, (915) 544-4730 at the El Paso Branch; Rodney Franklin, (713) 659-4433 at the Houston Branch; or Pete Castleberry, (512) 224-2141 at the San Antonio Branch.

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

Sincerely yours,



William H. Wallace  
First Vice President

Enclosure

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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.

# Amendments to Regulation D Reserve Requirements of Depository Institutions\*

April 1983

1. *Effective September 1, 1982, subparagraphs (b)(2) and (c)(1) of section 204.2 are amended to read as follows:*

## SECTION 204.2—Definitions

\* \* \* \* \*

(b) \* \* \*

(2) A "demand deposit" does not include (i) checks or drafts drawn by the depository institution on the Federal Reserve or on another depository institution; (ii) a deposit or account issued pursuant to 12 CFR 1204.121, including those with an original maturity or required notice period of 7 to 13 days; or (iii) for depository institutions not subject to the rules of the Depository Institutions Deregulation Committee under 12 USC 3501 et seq., a deposit or account issued with an original maturity or required notice period of 7 to 13 days if such deposit or account is nonnegotiable, subject to a minimum balance of \$20,000, and not otherwise a transaction account under section 204.2(e) of this part.

(c)(1) \* \* \*

(E) that constitute a "savings deposit" which is not regarded as a "transaction account;"

(ii) borrowings, regardless of maturity, represented by a promissory note, an acknowledgment of advance, or similar obligation described in section 204.2(a)(1)(vii) that is issued to

any office located outside the United States of another depository institution or Edge or agreement corporation organized under the laws of the United States, to any office located outside the United States of a foreign bank, or to institutions whose time deposits are exempt from interest rate limitations under section 217.3(g) of Regulation Q (12 CFR 217.3(g)); and

(iii) a deposit or account issued pursuant to 12 CFR 1204.121, including those with an original maturity or required notice period of 7 to 13 days; or for depository institutions not subject to the rules of the Depository Institutions Deregulation Committee under 12 USC 3501 et seq., a deposit or account issued with an original maturity or required notice period of 7 to 13 days if such deposit or account is nonnegotiable, subject to a minimum balance of \$20,000, and is not otherwise a transaction account under section 204.2(e) of this part.

2. *Effective October 5, 1982, section 204.2(e) is amended to read as follows:*

(e) \* \* \*

- (4) deposits or accounts in which payments may be made to third parties by means of an automated teller machine, remote service unit or other electronic device;
- (5) deposits or accounts in which payments may be made to third parties by means of a debit card;
- (6) deposits or accounts under the terms of which, or which by practice of the depository institution, the depositor is permitted or authorized to make more than three withdrawals per month for purposes

\* For this regulation to be complete, as amended effective March 31, 1983, destroy the slip sheet dated May 1982 and retain—

• Regulation D pamphlet dated March 1982 (see inside cover) and  
• this slip sheet.

Items 3 and 5 were included on the May 1982 slip sheet. All other items are new. Note the deferred effective dates of items 7 through 10.

es of transferring funds to another account or for making a payment to a third party by means of preauthorized or telephone agreement, order or instruction. An account that permits or authorizes more than three such withdrawals in a calendar month, or statement cycle (or similar period) of at least four weeks, is a "transaction account" whether or not more than three such withdrawals actually are made during such period. A "preauthorized transfer" includes any arrangement by the depository institution to pay a third party from the account of a depositor upon written or oral instruction (including an order received through an automated clearing house (ACH)), or any arrangement by a depository institution to pay a third party from the account of the depositor at a predetermined time or on a fixed schedule. An account is not a "transaction account" by virtue of an arrangement that permits withdrawals for the purpose of repaying loans and associated expenses at the same depository institution (as originator or servicer); and

(7) deposits or accounts maintained in connection with an arrangement that permits the depositor to obtain credit directly or indirectly through the drawing of a negotiable or nonnegotiable check, draft, order or instruction or other similar device (including telephone or electronic order or instruction) on the issuing institution that can be used for the purpose of making payments or transfers to third persons or others, or to a deposit account of the depositor. Deposits that were established before October 5, 1982, subject to arrangements will not be regarded as transaction accounts until the deposit issued in connection with the line of credit is extended, or matures and is renewed.

\* \* \* \* \*

3. *Effective April 28, 1982, section 204.3(d) is amended by adding at the end thereof a new sentence to read as follows:*

#### SECTION 204.3—Computation and Maintenance

\* \* \* \* \*

(d) \* \* \*

(3) \* \* \* The Board may require any depository institution that is experiencing above-normal growth to report on a weekly basis prior to reporting \$15 million or more in total deposits for two consecutive calendar quarters.

4. *Effective October 28, 1982, section 204.4(b) and (c) is amended to read as follows:*

#### SECTION 204.4—Transitional Adjustments

\* \* \* \* \*

(b) *Members and former members.* The required reserves of any depository institution that is a member bank on September 1, 1980, or withdraws from membership after March 31, 1980, shall be determined as follows: \* \* \*

(c) *Certain former member banks.* The required reserves of any depository institution that was a member bank on July 1, 1979, and withdrew from membership during the period beginning on July 1, 1979, and ending on March 31, 1980, shall be determined by reducing the amount of required reserves computed under section 204.3 in accordance with the following schedule:

| <i>Reserve maintenance periods occurring between</i> | <i>Percentage that computed reserves will be reduced</i> |
|------------------------------------------------------|----------------------------------------------------------|
| October 28, 1982 and October 26, 1983                | 50                                                       |
| October 27, 1983 and October 24, 1984                | 33.3                                                     |
| October 25, 1984 and October 23, 1985                | 16.7                                                     |
| October 24, 1985 and forward                         | 0                                                        |

However, an institution shall not reduce the amount of required reserves on any category of deposits or accounts that are first authorized under federal law in any state after April 1, 1980.

\* \* \* \* \*

5. *Effective April 28, 1982, section 204.4(e)(2) is revised to read as follows:*

#### SECTION 204.4—Transitional Adjustments

\* \* \* \* \*

- (c) *De novo institutions.* \* \* \*

(2) Notwithstanding paragraph (1), the required reserves of any depository institution that—

- (i) was not engaged in business on November 18, 1981; and
- (ii) has \$50 million or more in daily average total transaction accounts, nonpersonal time deposits and Eurocurrency liabilities for any computation period after commencing business shall be 100 percent of the required reserves computed under section 204.3 starting with the maintenance period that begins eight days after the computation period during which such institution has daily average total transaction accounts, nonpersonal time deposits and Eurocurrency liabilities of \$50 million or more.

6. *Effective March 31, 1983, section 204.9(a) is revised to read as follows:*

#### SECTION 204.9—Reserve Requirement Ratios

(a) *Reserve percentages.* The following reserve ratios are prescribed for all depository institutions, Edge and agreement corporations and United States branches and agencies of foreign banks:

| <i>Category</i>                          | <i>Reserve requirement</i>                       |
|------------------------------------------|--------------------------------------------------|
| <b>NET TRANSACTION ACCOUNTS</b>          |                                                  |
| \$0-\$26.3 million                       | 3% of amount                                     |
| Over \$26.3 million                      | \$789,000 plus 12% of amount over \$26.3 million |
| <b>NONPERSONAL TIME DEPOSITS</b>         |                                                  |
| By original maturity (or notice period): |                                                  |
| less than 2½ years                       | 3%                                               |
| 2½ years or more                         | 0%                                               |
| <b>EUROCURRENCY LIABILITIES</b>          | 3%                                               |

7. *Effective February 2, 1984 (the beginning of the reserve maintenance period to which contemporaneous reserve requirements will apply), section 204.2(h), footnote 1 is amended by deleting the word "fourth" and inserting in its place the word "second".*

8. *Effective February 2, 1984, section 204.3, paragraphs (c), (d), and (h) are revised to read as follows:*

#### SECTION 204.3—Computation and Maintenance

\* \* \* \* \*

- (c) *Computation of required reserves.*

(1) Required reserves are computed on the basis of daily average balances of deposits and Eurocurrency liabilities during a 14-day period ending every second Monday (the "computation period"). Reserve requirements are computed by applying the ratios prescribed in section 204.9 to the classes of deposits and Eurocurrency liabilities of the institution. The reserve balance that is required to be maintained with the Federal Reserve shall be maintained during a 14-day period (the "maintenance period") which begins on a Thursday and ends on the second Wednesday thereafter.

(2) A reserve balance shall be maintained during a given maintenance period, based—

- (i) on the daily average net transaction accounts held by the depository institution during the computation period that began immediately prior to the beginning of the maintenance period; and
- (ii) on the daily average nonpersonal time deposits and daily average Eurocurrency liabilities held by the depository institution during the computation period that ended 17 days prior to the beginning of the maintenance period.

(3) In determining the reserve balance that is required to be maintained with the

Federal Reserve, the daily average vault cash held during the computation period that ended 17 days prior to the beginning of the maintenance period is deducted from the amount of the institution's required reserves.

(d) *Special rule for depository institutions that have total deposits of less than \$15 million.*

(1) A depository institution with total deposits of less than \$15 million shall file a report of deposits once each calendar quarter for a seven-day computation period that begins on the third Tuesday of a given month during the calendar quarter. Each Reserve Bank shall divide the depository institutions in its District that qualify under this paragraph into three substantially equal groups and assign each group a different month to report during each calendar quarter.

(2) Required reserves are computed on the basis of the depository institution's daily average deposit balances during the seven-day computation period. In determining the reserve balance that a depository institution is required to maintain with the Federal Reserve, the daily average vault cash held during the computation period is deducted from the amount of the institution's required reserves. The reserve balance that is required to be maintained with the Federal Reserve shall be maintained during a corresponding period that begins on the fourth Thursday following the end of the institution's computation period and ends on the fourth Wednesday after the close of the institution's next computation period. Such reserve balance shall be maintained in the amount required on a daily average basis during each week of the quarterly reserve maintenance period.

(3) \* \* \*

(4) A depository institution that qualifies under this paragraph may elect at the beginning of a calendar year to report deposits on a weekly basis and maintain reserves during 14-day reserve maintenance

periods in accordance with paragraph (c) of this section.

\* \* \* \* \*

(h) *Carryover of excesses or deficiencies.*

(1) For a depository institution computing required reserves under paragraph (c) of this section, any excess or deficiency in a required reserve balance for any maintenance period that does not exceed the greater of the percentage set forth in the schedule below of the institution's required reserves (including required clearing balances) or \$25,000, shall be carried forward to the next maintenance period.

| <i>Reserve maintenance periods occurring between</i> | <i>Percentage applied to determine allowable carryover</i> |
|------------------------------------------------------|------------------------------------------------------------|
| February 2, 1984 and August 1, 1984                  | 3                                                          |
| August 2, 1984 and January 30, 1985                  | 2½                                                         |
| January 31, 1985 and forward                         | 2                                                          |

(2) For a depository institution reporting deposits and maintaining required reserves under paragraph (d) of this section, any excess or deficiency in a required reserve balance for any maintenance period that does not exceed the greater of 2 percent of the institution's required reserves (including required clearing balances) or \$25,000, shall be carried forward to the next maintenance period.

(3) Any carryover not offset during the next period may not be carried forward to additional periods.

\* \* \* \* \*

9. *Effective February 2, 1984, section 204.4 is amended by revising the schedule in paragraph (a) as follows:*

#### SECTION 204.4—Transitional Adjustments

\* \* \* \* \*

## Regulation D

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(a) \* \* \*

| <i>Reserve maintenance periods occurring</i> | <i>Percentage that computed reserves will be reduced</i> |
|----------------------------------------------|----------------------------------------------------------|
| November 13, 1980 to September 2, 1981       | 87.5                                                     |
| September 3, 1981 to September 1, 1982       | 75                                                       |
| September 2, 1982 to August 31, 1983         | 62.5                                                     |
| September 1, 1983 to September 12, 1984      | 50                                                       |
| September 13, 1984 to September 11, 1985     | 37.5                                                     |
| September 12, 1985 to September 10, 1986     | 25                                                       |
| September 11, 1986 to September 9, 1987      | 12.5                                                     |
| September 10, 1987 and forward               | 0                                                        |

\* \* \* \* \*

10. Effective February 2, 1984, the third sentence of section 204.7(a)(1) is amended by deleting the word "computation" and inserting the word "maintenance" in its place.

11. In section 204.4(b)(2), the second parenthetical citation is corrected to read "(§ 204.9(b))" rather than "(§ 204.8(b))".