



FEDERAL RESERVE BANK  
OF DALLAS

WILLIAM H. WALLACE  
FIRST VICE PRESIDENT

DALLAS, TEXAS 75222

January 31, 1986

Circular 86-11

**TO:** All depository institutions in the  
Eleventh Federal Reserve District

**SUBJECT**

**Amendments to Regulation D (Reserve  
Requirements of Depository Institutions)**

**DETAILS**

The Board of Governors of the Federal Reserve System has announced amendments, effective December 31, 1985, to its Regulation D (Reserve Requirements of Depository Institutions). The amendments reflect the changes made to subparagraphs (3) and (4).

This revised slip sheet, dated January 1986, should be filed with Regulation D in the Regulations Binder furnished by this bank.

**ATTACHMENTS**

Board's amendments to Regulation D (Reserve Requirements of Depository Institutions) dated January 1986 in slip sheet form.

**MORE INFORMATION**

For further information regarding Regulation D, please contact Robert Feil, (214) 651-6690 or John Rogers, (214) 651-6228.

Sincerely yours,

*William H. Wallace*

## Amendments to Regulation D Reserve Requirements of Depository Institutions January 1986\*

1. *Effective October 1, 1983, subparagraphs (b)(1) and (d)(1) of section 204.2 are amended by substituting "seven" for "14" wherever it appears.*

2. *Effective October 1, 1983, subparagraphs (b)(2), (c)(1), and (f)(1)(v) of section 204.2 are amended to read as follows:*

(b)(1) \* \* \*

(2) A "demand deposit" does not include checks or drafts drawn by the depository institution on the Federal Reserve or on another depository institution.

(c)(1) "Time deposit" means (i) a deposit that the depositor does not have a right to withdraw for a period of seven days or more after the date of deposit. "Time deposit" includes funds—

(A) payable on a specified date not less than seven days after the date of deposit;

(B) payable at the expiration of a specified time not less than seven days after the date of deposit;

(C) payable upon written notice which actually is required to be given by the depositor not less than seven days before the date of repayment;

(D) such as "Christmas club" accounts and "vacation club" accounts, that are deposited under written contracts providing that no withdrawal shall be made until a certain number of periodic deposits

have been made during a period of not less than three months even though some of the deposits may be made within seven days from the end of the period; or

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

(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, or any bankers acceptance (other than the type described in 12 USC 372) of the depository institution held by, 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)).

\* \* \* \* \*

(f)(1) \* \* \*

(v) a time deposit represented by a promissory note, an acknowledgment of advance, or similar obligation described in section 204.2(a)(1)(vii) that is issued to, or any bankers acceptances (other than the type described in 12 USC 372) of the depository institution held by, 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

\* A complete Regulation D, as amended effective December 31, 1985, consists of—

• the pamphlet dated September 1983 (see inside cover) and

• this slip sheet.

Items 1 and 2 were included in the November 1984 slip sheet. Items 3 and 4 are new.

under section 217.3(g) of Regulation Q (12 CFR 217.3(g)).

\* \* \* \* \*

3. *Effective December 31, 1985, section 204.4(f) is amended by deleting the last sentence.*

4. *Effective December 31, 1985, section 204.9(a) is amended to read as follows:*

(a)(1) *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-\$31.7 million	3% of amount
Over \$31.7 million	\$951,000 plus 12% of amount over \$31.7 million
<b>NONPERSONAL TIME DEPOSITS</b>	
By original maturity (or notice period):	
less than 1½ years	3%
1½ years or more	0%
<b>EUROCURRENCY LIABILITIES</b>	
	3%

(2) *Exemption from reserve requirements.* Each depository institution, Edge or agreement corporation, and U.S. branch or agency of a foreign bank is subject to a zero percent reserve requirement on an amount of its transaction accounts subject to the low reserve tranche in paragraph (a)(1), nonpersonal time deposits, or Eurocurrency liabilities or any combination thereof not in excess of \$2.6 million determined in accordance with section 204.3(a)(3) of this part.