



**FEDERAL RESERVE BANK
OF DALLAS**

WILLIAM H. WALLACE
FIRST VICE PRESIDENT

April 21, 1986

DALLAS, TEXAS 75222

Circular 86-39

TO: All depository institutions and
others concerned in the
Eleventh Federal Reserve District

SUBJECT

Discount rate change

DETAILS

The Board of Governors of the Federal Reserve System approved action by the Board of Directors of the Federal Reserve Bank of Dallas to decrease by one half of one percent the basic discount rate. The rates for temporary seasonal credit and other extended credit also were decreased by one half of one percent. These rulings became effective April 21, 1986.

Printed on the reverse of this circular is a copy of Supplement A to Bulletin 2 which contains the current rate schedule in effect at this Bank. This supplement should be inserted in Volume 1 of the Regulations Binders and the supplement dated March 7, 1986 should be removed.

MORE INFORMATION

For more information, please contact Jesse D. Sanders or Finlay R. Higgins of this Bank's Loan Department, at (214) 651-6240.

Sincerely yours,

William H. Wallace

Supplement A

RATES FOR DISCOUNTS AND ADVANCES

The following rates with respect to discounts and advances under the Federal Reserve Act and Regulation A are now in effect at this Bank:

Rates on Discounts and Advances	Per Annum	Effective from
Basic rate: short-term adjustment credit under 201.3(a) and regular seasonal credit under 201.3(b) (1) of Regulation A ¹	6½ %	April 21, 1986
Temporary seasonal credit under 201.3(b) (1) of Regulation A	7%	April 21, 1986
Other extended credit under 201.3(b) (2) of Regulation A (special circumstances credit and credit for institutions under sustained liquidity pressures) ²		
First 60 days	6½ %	April 21, 1986
Next 90 days	7½ %	April 21, 1986
Thereafter	8½ %	April 21, 1986

¹ This is also the discount rate for 90-day commercial paper and other paper eligible for discount.

² At the discretion of the Federal Reserve Bank of Dallas, in cases where credit is anticipated to be outstanding for prolonged periods and in relatively large amounts, the time period for each rate in the extended credit rate structure may be shortened. This Bank also may apply a flexible rate that takes into account rates on market sources of funds. The flexible rate will not be lower than the basic rate plus one percentage point.