



FEDERAL RESERVE BANK  
OF DALLAS

WILLIAM H. WALLACE  
FIRST VICE PRESIDENT  
AND CHIEF OPERATING OFFICER

December 24, 1990

DALLAS, TEXAS 75222

Circular 90-103

**TO:** The Chief Executive Officer of each  
member bank 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 the basic discount rate by one-half of 1 percent. The rate for other extended credit also was decreased by one-half of 1 percent. These actions became effective December 19, 1990.

Printed on the reverse of this circular is a copy of Supplement A to Bulletin 2 that contains the current rate schedule in effect at this Bank. This supplement should be inserted in your Bulletins binder, and the supplement dated February 27, 1989, should be removed.

**MORE INFORMATION**

For further information, please contact Jesse D. Sanders or Finlay R. Higgins at (214) 651-6240.

Sincerely yours,

A handwritten signature in cursive script that reads "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 Date
Basic rate: short-term adjustment credit under 201.3(a) and regular seasonal credit under 201.3(b)(1) of Regulation A <sup>1</sup> .....	6 1/2%	December 19, 1990
Other extended credit under 201.3(b)(2) of Regulation A (special circumstances credit and credit for institutions under sustained liquidity pressures) <sup>2</sup>		
First 30 days.....	6 1/2%	December 19, 1990
Thereafter.....	Flexible rate	December 19, 1990

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

A rate higher than the basic discount rate will be applied to loans of unusual size that result from a major operating problem at the borrower's facility, unless the problem is clearly beyond the borrower's reasonable control. The new rate will be the highest rate within the structure of discount rates at the time in question.

<sup>2</sup>A flexible rate that takes into account rates on market sources of funds ordinarily will be applied to any "other extended credit" outstanding for more than 30 days. The flexible rate will not be lower than the basic rate plus one-half percentage point. At the discretion of this Reserve Bank, the 30-day time period for which the basic rate is charged may be lengthened or shortened.