

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, October 13, 1916.

TO THE CASHIER,

SIR:

Referring to our Circular No. 48, under date of September 26, 1916, you are advised that it will be necessary for a member bank desiring to discount its own note for a period not to exceed 15 days to have a vote of its board of directors authorizing the making of such advances. We therefore enclose herewith a form of vote to be passed by your board of directors if desired. A copy, duly authenticated by your cashier or the secretary for your board, should be forwarded to this bank. This vote, when executed, will cover both the discount of your own note or notes and the rediscount of such drafts, notes, bills of exchange and acceptances as may be eligible under the provisions of section 13 of the Federal Reserve Act, and will supersede any prior authorization for rediscounts which you may have on file with this bank.

Your attention is also invited to the fact that, under the amendment to the Federal Reserve Act, no waiver of demand, notice and protest need be included in terms in the indorsement of your bank on bills, notes and other receivables which are offered for rediscount or as collateral security for an advance. Consequently, all reference to granting authority for such purpose has been eliminated from the form of vote sent herewith. An ordinary indorsement, provided it includes the written signature of an authorized officer, will be sufficient to comply with the terms of the Act.

We also enclose herewith a copy of the form of promissory note prepared for execution by such member banks as may desire to borrow upon their own obligations, together with a copy of form of application for an advance to be used in connection therewith, which is combined with a revised form of application for rediscount.

Should you desire additional copies of any of the enclosed forms, we shall be glad to forward them to you upon request.

It should be understood that the collateral security offered for an advance not exceeding 15 days upon the note of a member bank may consist of any notes, drafts, bills of exchange or bankers acceptances which are eligible for rediscount or purchase by Federal Reserve Banks and which have maturities at the time the advance is made of not exceeding ninety days or, in case of agricultural paper, six months.

In Circular No. 48, owing to a clerical error, the rates of discount established by this bank were not quite correctly stated. The rates now prevailing are as follows:

For notes, drafts and bills of exchange, including promissory notes secured by eligible collateral, having a maturity at time of discount of not more than 15 days.....	3%
For notes, drafts and bills of exchange, having a maturity at time of discount of more than 15 days and not more than 90 days.....	4%
For agricultural paper having a maturity at time of discount of more than 90 days and not more than six months.....	5%
For trade acceptances having a maturity at time of discount of not more than 90 days.....	3½%

Respectfully,

ROBERT H. TREMAN

Deputy Governor.

\$.....19.....

.....days after date, for value received, the undersigned bank promises to pay to the order of the FEDERAL RESERVE BANK OF NEW YORK at its OFFICE IN THE CITY OF NEW YORK, N. Y.

..... DOLLARS
having deposited with and pledged to the said Federal reserve bank, as collateral security for the payment of this and any other liability or liabilities, whether direct or contingent, of the undersigned bank to the said Federal reserve bank, due or to become due or that may be hereafter contracted, notes, drafts, bills of exchange or bankers' acceptances, or bonds or notes of the United States, as described in the schedule included in the application for loan, dated.....
..... accompanying and made a part hereof. The said Federal reserve bank is also given a lien, for the payment of this note and any other of the said liabilities, upon all the property or securities now or hereafter left in the possession of the said Federal reserve bank by the undersigned bank and also upon any balance of the deposit account of the undersigned bank with the said Federal reserve bank, and it is hereby agreed by the undersigned bank that the said Federal reserve bank has the right to require such additional security as it may deem proper, and, on failure to respond forthwith to such requirement or on the nonpayment of this note or on the nonpayment of any other liability or liabilities of the undersigned bank as above set forth, the said Federal reserve bank, or any holder hereof, is hereby given full authority to sell, assign and deliver, or collect, the whole or any part of the above named collaterals, or any substitute therefor, or any addition thereto, at any public or private sale or on any brokers' board or stock exchange, at any time or times hereafter, without demand, advertisement or notice: and, upon such sale, the said Federal reserve bank or the holder hereof may become the purchaser of the whole or any part of such collaterals, free from any right of redemption, and, after deducting all legal or other costs and expenses for collection, sale and delivery, may apply the residue of the proceeds of such collections, sale or sales to the payment of any, either or all of the said liabilities, as the said Federal reserve bank, or its assigns, shall deem proper, returning the over-plus to the undersigned bank.

By.....

SHEET No.

THE FEDERAL RESERVE BANK OF NEW YORK,
Corner Nassau and Pine Streets,
New York, N. Y.

191

hereby makes application for:-

(b) An advance of \$ _____ upon its promissory note, secured by the notes, drafts, bills of exchange, acceptances or bonds or notes of the United States aggregating \$ _____ which are listed in detail in the following schedule:

You are hereby authorized to charge the rediscounts or advance above described to our account with you at maturity

[illegible]

TOTAL

I, _____, Cashier of the _____ Bank of _____, hereby certify that to the best of my knowledge and belief, the original loans which are evidenced by the notes, drafts, bills of exchange or acceptances listed in the foregoing schedule, were made for agricultural, industrial or commercial purposes, and I further certify that, to the best of my knowledge and belief, the notes, drafts, bills of exchange or acceptances listed in this schedule are eligible for rediscount with or purchase by Federal Reserve Banks under the regulations of the Federal Reserve Board.

On this date the total amount of money borrowed by this bank on bills payable, rediscounts or otherwise, not including the rediscounts or loan hereby applied for is \$

PLEASE NOTE CAREFULLY

Please give, with respect to each name, commercial agency rating if available, and your estimate of present net worth, if your files contain such information. Indicate your estimate of the net worth by placing the letters "N. W." before your figures. Insert the name of the agency at the top of the column if ratings are given.

Insert either a "D" or a "P" in the column headed "Depositors or Purchased" to indicate whether the paper was discounted for a depositor or purchased. The "D" should appear on the line with the name of the discounter.

Insert an "S" in the column headed "Statement," on the line with each party whose statement is on file.

Notes, drafts, bills of exchange and acceptances submitted for rediscount or as collateral should be indorsed in blank in the following form:

First National Bank, Blankville N. Y.

.....
Cashier

Each indorsement of a member bank should be signed by an officer whose signature and authority to indorse have been filed with this bank.

A promissory note of a member bank must have a maturity not exceeding fifteen days from date of discount.

Industrial and commercial paper must have a maturity not exceeding ninety days from date of rediscount, or from date of advance, if used as collateral.

Agricultural or live stock paper must have a maturity not exceeding six months from date of rediscount, or from date of advance, if used as collateral.

For further information regarding paper eligible for rediscount or purchase by Federal Reserve Banks, see Regulation A, Series of 1916, Federal Reserve Board, and Circulars Nos. 25 and 30, of this bank

FEDERAL RESERVE BANK OF NEW YORK.

SPECIMEN FORM OF APPLICATION SHOWING DESIRED
ARRANGEMENT OF DETAILS

SERIAL NO.	MAKER		ADDRESS	BUSINESS	EST'D NET WORTH (OR RATING BY Agency)	MATURITY	DEPOSITORS OR PURCHASED	STATEMENT	AMOUNT
		INDORSERS							
1	C. P. Scudder A. P. Crawford		Blankville " " For purchase of feed.	Farmer Feed & Grain	N.W. 10,000 50/75-1½	8/3	D	S	\$ 50
2	F. J. Crockett		West Blankville For purchase of horse.	Farmer	N.W. 3,500	9/15	D		200
3	W. B. Richter Annie Richter		Blankville " " For purchase of materials.	Mfr. Baskets Wife	20/35-2 N.W. 1,000	7/3	D	S	1,050
4	General Building Co. Jones Brick Co.		Brooklyn Blankville For purchase of brick.	Builders Brick Mfrs.	75/125-1½ 35/50-2	7/18	D	S	4,500
5	Western Packing Co.		Chicago	Packers	Over 1,000,000	8/30	P	S	5,000
6	United Woolen Co. A. B. Jones		Boston " "	Mfrs. Woolens President	500/750-1	7/15	P	S	2,500
7	James & Co.		Blankville For purchase of hardware for seasonal requirements.	Hardware	10/20-2½	8/10	D	S	850
8	Morris Harvey		Blankville For purchase cattle. Collateral, C/M on ten head cattle.	Cattle Dealer	2/3-3	9/3	D		500
9	A. F. Schmidt Co.		Blankville Collateral W/R's for 10,000 lbs. butter.	Butter & Eggs	35/50-1	2/87	D	S	1,500
0	Home Furniture Co., Inc. A. S. Cox J. B. Cox Samuel Hood		Blankville " " " " " " For purchase of lumber and other materials.	Mfrs. President Secretary Physician	75/125-1 N.W. 25,000 N.W. 10,000 N.W. 40,000	8/15	D	S	7,500
									\$23.650

PLEASE NOTE SPACE LEFT BETWEEN EACH ITEM.