

FEDERAL RESERVE BANK
OF NEW YORK

Loan Department

[Circular No. 374]
[June 1, 1921.]

ADVANCES AND REDISCOUNTS
Liberty Bonds and Victory Notes
To be Pledged as Collateral at Market Value

EFFECTIVE JULY 1, 1921

*To all Member Banks in the
Second Federal Reserve District:*

Beginning July 1, 1921, advances not exceeding 15 days to member banks on their promissory notes secured by *Liberty bonds or Victory notes* and rediscounts of customers' notes, so secured, for periods not exceeding 90 days, will be limited to the *approximate market value* of the securities. Member banks will please be governed accordingly with respect to renewals of maturing notes and new offerings based on Liberty bonds or Victory notes, as our practice of accepting such securities at their par value as collateral to advances and rediscounts will be discontinued at the end of this month. United States Treasury certificates of indebtedness will be accepted at par as heretofore.

The present method of applying for such advances and rediscounts will not be changed.

Very truly yours,

BENJ. STRONG

Governor