

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 1560]
June 25, 1935

INTERPRETATION OF REGULATION T

*To National Securities Exchanges in the
Second Federal Reserve District:*

For your information I quote below the text of a telegram which I have received today from the Federal Reserve Board:

Ruling No. 44 Interpreting Regulation T.

The Securities and Exchange Commission by its Rules AN6, AN7, and AN8 has exempted certain securities for limited periods from the operation of section 7 (c) (2) of the Securities Exchange Act of 1934 to the extent and upon the conditions stated in such Rules.

The Federal Reserve Board rules that, as a result of and to the extent specified in the Commission's Rules AN6, AN7, and AN8, the securities mentioned therein are "exempted securities" within the meaning of section 2 (f) of Regulation T. However, the Board points out that the maximum loan value of such securities, instead of being that provided in section 3 (e), is limited by the conditions of the Commission's exemption to the maximum loan value which such securities would have if during the periods prescribed they were registered securities.

Additional copies of this circular will be furnished upon request.

J. H. CASE,
Federal Reserve Agent.