

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 1653]
March 26, 1936]

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
SUPPLEMENT TO REGULATION T, EFFECTIVE APRIL 1, 1936

*To Members of National Securities Exchanges,
Brokers and Dealers in Securities, and Banking
Institutions, in the Second Federal Reserve District:*

The Board of Governors of the Federal Reserve System has approved and adopted in the form set forth below a new supplement to Regulation T. This supplement is effective April 1, 1936 and supersedes on that date the supplement which was effective February 1, 1936.

BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM
SUPPLEMENT TO REGULATION T
Effective April 1, 1936

**Maximum loan values of registered securities (other than exempted securities)
for purposes of Regulation T**

Pursuant to the provisions of section 7 of the Securities Exchange Act of 1934 and section 3 of its Regulation T, as amended, the Board of Governors of the Federal Reserve System hereby prescribes the following maximum loan values of registered securities (other than exempted securities) for the purposes of Regulation T:

(1) **General rule.**—Except as provided in paragraphs (2) and (3) of this supplement, the maximum loan value of a registered security (other than an exempted security) shall be 45 percent of the current market value of the security.

(2) **Extension of credit to other members, brokers, and dealers.**—The maximum loan value of a registered security (other than an exempted security) in a special account with another member, broker, or dealer, which special account complies with subsection (b) of section 3 of Regulation T, as amended, shall be 60 percent of the current market value of the security.

(3) **Extension of credit to distributors, syndicates, etc.**—The maximum loan value of a registered security (other than an exempted security) in a special account with a distributor, syndicate, etc., which special account complies with subsection (c) of section 3 of Regulation T, as amended, shall be 80 percent of the current market value of the security.

Additional copies of this circular will be furnished upon request.

J. H. CASE,
Federal Reserve Agent.