

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 1835]
April 15, 1938]

SUPPLEMENT TO REGULATION D

**Reserves Required to Be Maintained by Member Banks
With Federal Reserve Banks**

Decreases Effective April 16, 1938

*To each Member Bank in the
Second Federal Reserve District:*

Enclosed is a printed copy of a supplement to Regulation D adopted by the Board of Governors of the Federal Reserve System on April 15, 1938, decreasing the reserves required to be maintained by member banks with Federal Reserve banks, effective at the opening of business on April 16, 1938.

At the request of the Board of Governors we quote below a copy of the Board's statement released for publication on April 16, 1938, with respect to the action taken by the Board on April 15, 1938, decreasing the reserve requirements for member banks as set forth in the enclosed supplement to Regulation D:

As a part of the Government's program for encouragement of business recovery, the Board of Governors has reduced reserve requirements on all classes of deposits for all member banks, effective at the opening of business on April 16, 1938. By this action excess reserves of member banks will be increased by \$750,000,000.

Reserve requirements in effect prior to April 16, 1938, and thereafter are shown in the following table:

Classes of member banks and of deposits	Prior to April 16 Percent	Beginning April 16 Percent
Demand deposits:		
Central reserve city banks.....	26	22 $\frac{3}{4}$
Reserve city banks.....	20	17 $\frac{1}{2}$
Country banks.....	14	12
Time deposits:		
All classes of member banks.....	6	5

A new supply of forms for use in reporting your net demand and time deposits and reserves required to be maintained against such deposits will be sent to you promptly.

GEORGE L. HARRISON,
President.

**BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM**

SUPPLEMENT TO REGULATION D

Effective as to each member bank at the opening of business on
April 16, 1938

*Reserves required to be maintained by member banks with
Federal Reserve banks*

Pursuant to the provisions of section 19 of the Federal Reserve Act and section 2(a) of its Regulation D, the Board of Governors of the Federal Reserve System hereby prescribes the following reserve balances which each member bank of the Federal Reserve System is required to maintain on deposit with the Federal Reserve bank of its district:

5 percent of its time deposits plus—

12 percent of its net demand deposits if not in a reserve or central reserve city;

17½ percent of its net demand deposits if in a reserve city, except that if located in an outlying district of a reserve city or in territory added to such city by the extension of the city's corporate limits such bank may, upon the affirmative vote of five members of the Board of Governors of the Federal Reserve System, be permitted to maintain 12 percent reserves against its net demand deposits;

22¾ percent of its net demand deposits if located in a central reserve city, except that if located in any outlying district of a central reserve city or in territory added to such city by the extension of the city's corporate limits, such bank may, upon the affirmative vote of five members of the Board of Governors of the Federal Reserve System, be permitted to maintain 12 percent or 17½ percent reserves against its net demand deposits.

The supplements to Regulation D which have previously been issued are hereby revoked and superseded.

COMPUTATION OF RESERVE TO BE CARRIED WITH THE FEDERAL RESERVE BANK BY MEMBER BANKS

(For definitions of the terms gross demand deposits, deductions allowed in computing reserves, cash items in process of collection, net demand deposits and time deposits, see Regulation D of the Board of Governors of the Federal Reserve System)

1. GROSS DEMAND DEPOSITS, including U. S. Government deposits and demand balances of other banks.....\$

(See Schedule J of the quarterly condition report for items constituting demand deposits)

(See copy of Schedule J on other side)

2. DEDUCTIONS ALLOWED IN COMPUTING RESERVES:

(a) Balances subject to immediate withdrawal due from other banks* (except balances due from Federal Reserve banks, from foreign banks or branches thereof, from foreign branches of domestic banks, or from private banks).....\$

(Corresponds to item 1 in Schedule I of the quarterly condition report)

(See copy of Schedule I on other side)

(b) Cash items in process of collection, except to the extent included in item 2-a (including checks with Federal Reserve banks in process of collection and checks on hand which will be presented for payment or forwarded for collection on the following business day).....\$

(Corresponds to item 2 in Schedule I of the quarterly condition report)

(See copy of Schedule I on other side)

3. NET DEMAND DEPOSITS (item 1 minus item 2).....\$

4. TIME DEPOSITS.....\$

(See Schedule K of the quarterly condition report for items constituting time deposits)

(See copy of Schedule K on other side)

5. RESERVE REQUIRED:

(a) On net demand deposits (item 3 above):
Banks in central reserve cities, 22¾ percent;
Banks in reserve cities, 17½ percent;
Banks located elsewhere, 12 percent.....\$

(b) On time deposits (item 4 above): 5 percent.....\$

(c) Total reserve to be maintained with Federal Reserve bank.....\$

*Including cash items forwarded to a correspondent bank for collection and credit and charged to item "Due from banks."

This form should not be forwarded to the Federal Reserve bank, but is to be used by the member bank as a guide for figuring its required reserve.

SCHEDULE I—CASH, BALANCES WITH OTHER BANKS, EXCHANGES FOR CLEARING HOUSE, ETC.

DOLLARS

1. Demand balances with other banks in the United States (except private banks and American branches of foreign banks):			
(a) Due from banks in New York City.....			
(b) Due from banks elsewhere in the United States.....			
2. Cash items in process of collection, including exchanges for clearing house, except to the extent included in Item 1.....			
SUBTOTAL of Items 1 and 2 (amount deductible from demand deposits in determining amount subject to reserve).....			
	\$		(Amount not to be extended)
3. Time balances with other banks in the United States (except private banks and American branches of foreign banks).....			
4. Balances with private banks and American branches of foreign banks.....			
5. Balances with banks in foreign countries (including balances with foreign branches of other American banks but excluding amounts due from own foreign branches).....			
6. Cash in vault.....			
TOTAL of Items 1 to 6 (must agree with Item 9 of "Assets").....			

SCHEDULE J—DEMAND DEPOSITS (all deposits other than "time deposits" as defined in Regulation D of the Board of Governors of the Federal Reserve System)

1. Deposits of individuals, partnerships, and corporations (must agree with Item 14 of "Liabilities").....			
2. United States Government deposits.....			
3. State, county, and municipal deposits.....			
4. Deposits of other banks in the United States (except private banks and American branches of foreign banks).....			
5. Deposits of private banks and American branches of foreign banks.....			
6. Deposits of banks in foreign countries (including balances of foreign branches of other American banks but excluding amounts due to own foreign branches).....			
7. Certified and officers' checks, letters of credit and travelers' checks sold for cash, and amounts due to Federal Reserve Bank (transit account).....			
TOTAL DEMAND DEPOSITS (Items 1 to 7 of this schedule).....			

SCHEDULE K—TIME DEPOSITS (as defined in Regulation D of the Board of Governors of the Federal Reserve System)

1. Deposits (except savings deposits), of individuals, partnerships, and corporations:			
(a) Certificates of deposit (other than for money borrowed).....			
(b) Open accounts.....			
(c) Christmas savings and similar accounts.....			
2. Deposits evidenced by savings pass books.....	No. of accounts.....		
SUBTOTAL of Items 1 and 2 (must agree with Item 15 of "Liabilities").....			
	\$		(Amount not to be extended)
3. Postal Savings deposits.....			
4. State, county, and municipal deposits.....			
5. Deposits of other banks in the United States (except private banks and American branches of foreign banks).....			
6. Deposits of private banks and American branches of foreign banks.....			
7. Deposits of banks in foreign countries (including balances of foreign branches of other American banks but excluding amounts due to own foreign branches).....			
TOTAL TIME DEPOSITS (Items 1 to 7 of this schedule).....			

FOR HALF MONTH ENDING _____ 193

**TO ACCOUNTING DEPARTMENT
FEDERAL RESERVE BANK OF NEW YORK**

The amounts of net demand deposits and time deposits reported for each business day are to be based on the deposit balances shown by the books of the member bank at the opening of business the same day. The amounts reported for a Sunday or a holiday are to be based on the deposit balances at the close of the preceding business day. The amounts so reported for a Sunday or a holiday should be repeated for the following business day.

DATE	(1) GROSS DEMAND DEPOSITS			(2) BALANCES SUBJECT TO IMMEDIATE WITHDRAWAL DUE FROM OTHER BANKS			(3) CASH ITEMS IN PROCESS OF COLLECTION			NET DEMAND DEPOSITS COLUMN (1) MINUS COLUMNS (2 AND 3)			TIME DEPOSITS		
	MILLIONS	THOUSANDS	HUNDREDS	MILLIONS	THOUSANDS	HUNDREDS	MILLIONS	THOUSANDS	HUNDREDS	MILLIONS	THOUSANDS	HUNDREDS	MILLIONS	THOUSANDS	HUNDREDS
1	16														
2	17														
3	18														
4	19														
5	20														
6	21														
7	22														
8	23														
9	24														
10	25														
11	26														
12	27														
13	28														
14	29														
15	30														
	31														
TOTAL															
<i>(If gross demand deposits are less than the deductions, net demand deposits on that date should be shown as zero.)</i>										AVERAGE					

RESERVE REQUIRED

12% OF \$ _____ (AVERAGE NET DEMAND DEPOSITS) \$ _____

5% OF \$ _____ (AVERAGE TIME DEPOSITS) \$ _____

TOTAL { AVERAGE RESERVE REQUIRED TO BE ON DEPOSIT WITH THE FEDERAL RESERVE BANK OF NEW YORK } \$ _____

I HEREBY CERTIFY THAT THE ABOVE STATEMENT IS CORRECT AND IN ACCORDANCE WITH THE BOOKS OF THIS BANK AND THAT THE FIGURES SHOWN ABOVE UNDER NET DEMAND DEPOSITS AND TIME DEPOSITS RESPECTIVELY HAVE BEEN COMPUTED IN ACCORDANCE WITH THE FORM PRESCRIBED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM FOR THAT PURPOSE.

THIS REPORT TO BE FILED BEFORE THE 5TH AND 20TH OF EACH MONTH

OFFICIAL SIGNATURE TITLE

NAME OF BANK

CITY OR TOWN

STATE

REPORT OF NET DEMAND AND TIME DEPOSITS

FOR HALF MONTH ENDING _____ 193

**TO BUFFALO BRANCH
FEDERAL RESERVE BANK OF NEW YORK**

The amounts of net demand deposits and time deposits reported for each business day are to be based on the deposit balances shown by the books of the member bank at the opening of business the same day. The amounts reported for a Sunday or a holiday are to be based on the deposit balances at the close of the preceding business day. The amounts so reported for a Sunday or a holiday should be repeated for the following business day.

DATE	(1) GROSS DEMAND DEPOSITS			(2) BALANCES SUBJECT TO IMMEDIATE WITHDRAWAL DUE FROM OTHER BANKS			(3) CASH ITEMS IN PROCESS OF COLLECTION			NET DEMAND DEPOSITS COLUMN (1) MINUS COLUMNS (2 AND 3)			TIME DEPOSITS		
	MILLIONS	THOUSANDS	HUNDREDS	MILLIONS	THOUSANDS	HUNDREDS	MILLIONS	THOUSANDS	HUNDREDS	MILLIONS	THOUSANDS	HUNDREDS	MILLIONS	THOUSANDS	HUNDREDS
1 16															
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6 21															
7 22															
8 23															
9 24															
10 25															
11 26															
12 27															
13 28															
14 29															
15 30															
31															
TOTAL															
<i>(If gross demand deposits are less than the deductions, net demand deposits on that date should be shown as zero.)</i>										AVERAGE					

RESERVE REQUIRED

12% OF \$ _____
(AVERAGE NET DEMAND DEPOSITS) \$ _____

5% OF \$ _____
(AVERAGE TIME DEPOSITS) \$ _____

TOTAL (AVERAGE RESERVE REQUIRED TO BE ON DEPOSIT WITH THE FEDERAL RESERVE BANK OF NEW YORK) \$ _____

I HEREBY CERTIFY THAT THE ABOVE STATEMENT IS CORRECT AND IN ACCORDANCE WITH THE BOOKS OF THIS BANK AND THAT THE FIGURES SHOWN ABOVE UNDER NET DEMAND DEPOSITS AND TIME DEPOSITS RESPECTIVELY HAVE BEEN COMPUTED IN ACCORDANCE WITH THE FORM PRESCRIBED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM FOR THAT PURPOSE.

THIS REPORT TO BE FILED BEFORE THE 5TH AND 20TH OF EACH MONTH

OFFICIAL SIGNATURE _____ TITLE _____

NAME OF BANK _____

CITY OR TOWN _____

STATE _____

REPORT OF NET DEMAND AND TIME DEPOSITS

FOR WEEK ENDING FRIDAY _____ 193

TO ACCOUNTING DEPARTMENT FEDERAL RESERVE BANK OF NEW YORK

The amounts of net demand deposits and time deposits reported for each business day are to be based on the deposit balances shown by the books of the member bank at the opening of business the same day. The amounts reported for a Sunday or a holiday are to be based on the deposit balances at the close of the preceding business day. The amounts so reported for a Sunday or a holiday should be repeated for the following business day.

FIRST PERIOD

DATE	DAY	(1) GROSS DEMAND DEPOSITS			(2) BALANCES SUBJECT TO IMMEDIATE WITHDRAWAL DUE FROM OTHER BANKS			(3) CASH ITEMS IN PROCESS OF COLLECTION			NET DEMAND DEPOSITS COLUMN (1) MINUS COLUMNS (2 AND 3)			TIME DEPOSITS		
		millions	thousands	hundreds	millions	thousands	hundreds	millions	thousands	hundreds	millions	thousands	hundreds	millions	thousands	hundreds
	SAT.															
	SUN.															
	MON.															
	TUES.															
	TOTAL															

(If gross demand deposits are less than the deductions, net demand deposits on that date should be shown as zero.)

AVERAGE

RESERVE REQUIRED

17½% OR 22¾% OF \$ _____ (AVERAGE NET DEMAND DEPOSITS) \$ _____

5% OF \$ _____ (AVERAGE TIME DEPOSITS) \$ _____

TOTAL { AVERAGE RESERVE REQUIRED TO BE ON DEPOSIT WITH THE FEDERAL RESERVE BANK OF NEW YORK \$ _____

SECOND PERIOD

DATE	DAY	(1) GROSS DEMAND DEPOSITS			(2) BALANCES SUBJECT TO IMMEDIATE WITHDRAWAL DUE FROM OTHER BANKS			(3) CASH ITEMS IN PROCESS OF COLLECTION			NET DEMAND DEPOSITS COLUMN (1) MINUS COLUMNS (2 AND 3)			TIME DEPOSITS		
		millions	thousands	hundreds	millions	thousands	hundreds	millions	thousands	hundreds	millions	thousands	hundreds	millions	thousands	hundreds
	WED.															
	THURS.															
	FRI.															
	TOTAL															

(If gross demand deposits are less than the deductions, net demand deposits on that date should be shown as zero.)

AVERAGE

RESERVE REQUIRED

17½% OR 22¾% OF \$ _____ (AVERAGE NET DEMAND DEPOSITS) \$ _____

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TOTAL { AVERAGE RESERVE REQUIRED TO BE ON DEPOSIT WITH THE FEDERAL RESERVE BANK OF NEW YORK \$ _____

I HEREBY CERTIFY THAT THE ABOVE STATEMENT IS CORRECT AND IN ACCORDANCE WITH THE BOOKS OF THIS BANK AND THAT THE FIGURES SHOWN ABOVE UNDER NET DEMAND DEPOSITS AND TIME DEPOSITS RESPECTIVELY HAVE BEEN COMPUTED IN ACCORDANCE WITH THE FORM PRESCRIBED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM FOR THAT PURPOSE.

THIS REPORT TO BE FILED NOT LATER THAN MONDAY OF THE FOLLOWING WEEK

OFFICIAL SIGNATURE TITLE

NAME OF BANK

CITY OR TOWN STATE

REPORT OF NET DEMAND AND TIME DEPOSITS

FOR WEEK ENDING FRIDAY _____ 193

TO BUFFALO BRANCH
FEDERAL RESERVE BANK OF NEW YORK

The amounts of net demand deposits and time deposits reported for each business day are to be based on the deposit balances shown by the books of the member bank at the opening of business the same day. The amounts reported for a Sunday or a holiday are to be based on the deposit balances at the close of the preceding business day. The amounts so reported for a Sunday or a holiday should be repeated for the following business day.

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		millions	thousands	hundreds	millions	thousands	hundreds	millions	thousands	hundreds	millions	thousands	hundreds	millions	thousands	hundreds
	SAT.															
	SUN.															
	MON.															
	TUES.															
	TOTAL															
(If gross demand deposits are less than the deductions, net demand deposits on that date should be shown as zero.)										AVERAGE						

RESERVE REQUIRED

17½% OR 22¾% OF \$ _____
(AVERAGE NET DEMAND DEPOSITS) \$ _____

5% OF \$ _____
(AVERAGE TIME DEPOSITS) \$ _____

TOTAL { AVERAGE RESERVE REQUIRED TO BE ON DEPOSIT WITH THE FEDERAL RESERVE BANK OF NEW YORK \$ _____

SECOND PERIOD

DATE	DAY	(1) GROSS DEMAND DEPOSITS			(2) BALANCES SUBJECT TO IMMEDIATE WITHDRAWAL DUE FROM OTHER BANKS			(3) CASH ITEMS IN PROCESS OF COLLECTION			NET DEMAND DEPOSITS COLUMN (1) MINUS COLUMNS (2 AND 3)			TIME DEPOSITS		
		millions	thousands	hundreds	millions	thousands	hundreds	millions	thousands	hundreds	millions	thousands	hundreds	millions	thousands	hundreds
	WED.															
	THURS.															
	FRI.															
	TOTAL															
(If gross demand deposits are less than the deductions, net demand deposits on that date should be shown as zero.)										AVERAGE						

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(AVERAGE NET DEMAND DEPOSITS) \$ _____

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TOTAL { AVERAGE RESERVE REQUIRED TO BE ON DEPOSIT WITH THE FEDERAL RESERVE BANK OF NEW YORK \$ _____

I HEREBY CERTIFY THAT THE ABOVE STATEMENT IS CORRECT AND IN ACCORDANCE WITH THE BOOKS OF THIS BANK AND THAT THE FIGURES SHOWN ABOVE UNDER NET DEMAND DEPOSITS AND TIME DEPOSITS RESPECTIVELY HAVE BEEN COMPUTED IN ACCORDANCE WITH THE FORM PRESCRIBED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM FOR THAT PURPOSE.

THIS REPORT
TO BE FILED
NOT LATER THAN
MONDAY OF THE
FOLLOWING WEEK

OFFICIAL SIGNATURE

TITLE

NAME OF BANK

CITY OR TOWN

STATE