

FEDERAL RESERVE BANK  
OF NEW YORK

[Circular No. 2514]  
[October 3, 1942]

**SUPPLEMENT TO REGULATION D**

**Reserves Required To Be Maintained By Member Banks  
With Federal Reserve Banks**

**Reduction Effective October 3, 1942**

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

Enclosed is a printed copy of a supplement to Regulation D, "Reserves of Member Banks", adopted by the Board of Governors of the Federal Reserve System to supersede the existing supplement to Regulation D and to become effective at the opening of business on October 3, 1942. †

The Board's statement released for publication on October 3, 1942, with respect to the action taken by the Board, is as follows:

The Board of Governors today announced a reduction in reserve requirements to 20 per cent, from the existing rate of 22 per cent, of net demand deposits for central reserve city member banks in New York and Chicago. The reduction will become effective as of the opening of business on October 3, 1942.

Additional copies of this circular and of the enclosed supplement will be furnished upon request.

ALLAN SPROUL,  
*President.*

## **SUPPLEMENT TO REGULATION D**

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

**Effective as to each member bank at the opening of  
business on October 3, 1942**

### **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:

6 per cent of its time deposits plus—

14 per cent of its net demand deposits if not in a reserve or central reserve city;

20 per cent of its net demand deposits if in a reserve city, except as to any bank 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, which, by the affirmative vote of five members of the Board of Governors of the Federal Reserve System, is permitted to maintain 14 per cent reserves against its net demand deposits;

20 per cent of its net demand deposits if located in a central reserve city, except as to any bank located in an outlying district of a central reserve city or in territory added to such city by the extension of the city's corporate limits, which, by the affirmative vote of five members of the Board of Governors of the Federal Reserve System, is permitted to maintain 14 per cent or 20 per cent reserves against its net demand deposits.

The supplements to Regulation D which have previously been issued are hereby revoked and superseded.