

**FEDERAL RESERVE BANK
OF NEW YORK**

Circular No. 3080, April 24, 1946
[Superseding Circular No. 2532, dated October 29, 1942.]

DISCOUNT RATES

*To all Member Banks, and Others Concerned,
in the Second Federal Reserve District:*

Effective April 25, 1946, we have discontinued the differential rate of $\frac{1}{2}\%$ per annum on advances to member banks under the eighth and thirteenth paragraphs of section 13 of the Federal Reserve Act secured by obligations of the United States maturing or callable in one year or less. The rate of 1% heretofore applicable to advances to member banks secured by obligations of the United States which do not mature or become callable until after one year will hereafter be applicable to advances to member banks secured by any obligations of the United States irrespective of the date upon which the obligations mature or may be called.

We have also discontinued the rate of 1% per annum on advances to nonmember banks under the last paragraph of section 13 secured by direct obligations of the United States. The rate of $2\frac{1}{2}\%$ heretofore applicable to advances to individuals, partnerships and corporations other than banks under such paragraph secured by direct obligations of the United States will be applicable hereafter to similar advances to nonmember banks.

On the following page is a schedule of the rates with respect to discounts, advances and commitments made under the Federal Reserve Act which are now in effect at this bank.

ALLAN SPROUL,
President.

RATE SCHEDULE OF FEDERAL RESERVE BANK OF NEW YORK

In Effect April 25, 1946

Discounts for and advances to member banks:

- | | <i>Per Cent
Per Annum</i> |
|---|-------------------------------|
| (a) Discounts and advances under sections 13 and 13a of the Federal Reserve Act.... | 1 |
| (b) Advances under section 10(b) of the Federal Reserve Act..... | 1½ |

Advances to individuals, partnerships and corporations other than member banks:

- | | |
|--|----|
| Advances under the last paragraph of section 13 of the Federal Reserve Act secured by direct obligations of the United States..... | 2½ |
|--|----|

Industrial advances and commitments under section 13b of the Federal Reserve Act:

- | | |
|---|---|
| (a) Advances direct to industrial or commercial businesses, including advances made in participation with financing institutions..... | 2½ to 5 |
| (b) Commitments to make advances direct to industrial or commercial businesses | 10 to 25% of rate to be charged borrower with a minimum of ½%* |
| (c) Advances taken over from financing institutions under commitments | rate charged borrower on portion for which Federal Reserve bank assumes the risk, and rate charged borrower less the commitment charge on portion on which financing institution assumes the risk |
| (d) Commitments to financing institutions..... | 10 to 25% of rate charged borrower with a minimum of ½%, provided that no commitment shall be given on loan on which borrower is charged more than 5%.* |

* *Note:* The foregoing rates for commitments (subparagraphs (b) and (d) above) are subject to the following exception:

With respect to any loan as to which a guarantee is issued under Regulation V of the Board of Governors of the Federal Reserve System, the maximum commitment rate will be ¼% per annum or in the alternative a flat fee of not to exceed \$50.