

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 3453]
May 24, 1949

**TRUST POWERS OF NATIONAL BANKS
AMENDMENT TO REGULATION F**

Effective May 20, 1949

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

The Board of Governors of the Federal Reserve System has amended footnote numbered 19 in its Regulation F, effective May 20, 1949, to provide specifically that, for the purposes of section 17 of the Regulation, the term "readily marketable security" shall include any security which is a direct obligation of the United States. A printed copy of the amendment is enclosed herewith.

The amendment clarifies the status of Series G United States Savings Bonds, which are redeemable but not salable, as readily marketable securities for common trust fund purposes. While the classification of such bonds as readily marketable securities was consistent with the purposes of the pertinent provisions of Regulation F, the bonds did not appear to comply technically with the definition of the term "readily marketable security" contained in the Regulation.

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

ALLAN SPROUL,
President.

TRUST POWERS OF NATIONAL BANKS

AMENDMENT TO REGULATION F

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective May 20, 1949, footnote numbered 19 in Regulation F is amended to read as follows:

“A readily marketable security within the meaning of this section means a security which is a direct obligation of the United States or which is the subject of frequent dealings in ready markets with such frequent quotations of price as to make (a) the price easily and definitely ascertainable and (b) the security itself easy to realize upon by sale at any time.”

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