

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 3467]
June 29, 1949

**SUPPLEMENT TO REGULATION D
Reserves Required To Be Maintained By Member Banks
With Federal Reserve Banks**

Reductions in Reserve Requirements

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

The Board of Governors of the Federal Reserve System has today amended the Supplement to Regulation D, a printed copy of which is enclosed, reducing reserve requirements of member banks effective as to member banks not in reserve and central reserve cities at the opening of business on July 1, 1949, and as to member banks in reserve and central reserve cities at the opening of business on June 30, 1949.

We quote below from a statement released for publication today by the Board of Governors of the Federal Reserve System regarding this action:

The temporary authority granted by Congress for increased reserves . . . expires June 30 and the Board has accordingly revised the Supplement to Regulation D, under which the following reserve requirements will be effective with the beginning of the next reserve period (June 30 for central reserve city and reserve city member banks and July 1 for other member banks): against net demand deposits—24 per cent for central reserve city member banks, 20 per cent for reserve city member banks, and 14 per cent for other member banks; against time deposits—6 per cent for member banks of all classes. The changed requirements will result in a reduction of approximately \$800,000,000 in required reserves.

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 member banks not in reserve and central reserve cities at opening of business on July 1, 1949, and as to member banks in reserve and central reserve cities at opening of business on June 30, 1949.

RESERVES REQUIRED TO BE MAINTAINED BY MEMBER BANKS WITH FEDERAL RESERVE BANKS

Pursant 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;

24 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.

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