

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 3949]
February 24, 1953]

**SUPPLEMENTS TO REGULATIONS T AND U OF THE BOARD
OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM**

Effective February 20, 1953

*To all Banks, Members of National Securities Exchanges, and
Others Interested, in the Second Federal Reserve District:*

The Board of Governors of the Federal Reserve System issued the following statement on February 20, 1953:

The Board of Governors of the Federal Reserve System today amended Regulations T and U, relating respectively to margin requirements of brokers and banks, by reducing margin requirements from 75 per cent to 50 per cent, effective immediately. The reduced requirements apply to both purchases and short sales. No other change was made in the regulations.

Enclosed are printed copies of the Supplements to Regulations T and U, effective February 20, 1953, giving effect to the amendments.

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

ALLAN SPROUL,
President.

SUPPLEMENT TO REGULATION T

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective February 20, 1953

Maximum loan value for general accounts.—The maximum loan value of a registered security (other than an exempted security) in a general account, subject to section 3 of Regulation T, shall be 50 per cent of its current market value.

Margin required for short sales in general accounts.—The amount to be included in the adjusted debit balance of a general account, pursuant to section 3(d) (3) of Regulation T, as margin required for short sales of securities (other than exempted securities) shall be 50 per cent of the current market value of each such security.

PRINTED IN NEW YORK

SUPPLEMENT TO REGULATION U

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective February 20, 1953

For the purpose of section 1 of Regulation U, the maximum loan value of any stock, whether or not registered on a national securities exchange, shall be 50 per cent of its current market value, as determined by any reasonable method.

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