

**FEDERAL RESERVE BANK  
OF NEW YORK**

[ Circular No. **4556** ]  
[ January 15, 1958 ]

**MARGIN REQUIREMENTS REDUCED**

*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 today:

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 70 per cent to 50 per cent, effective January 16, 1958. The reduced requirements apply to both purchases and short sales. No other change was made in the regulations.

Enclosed are printed copies of Supplements, effective January 16, 1958, to Regulations T and U, giving effect to the amendments.

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

**ALFRED HAYES,**  
*President.*

## **SUPPLEMENT TO REGULATION T**

**ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM**

**Effective January 16, 1958**

**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 January 16, 1958**

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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