

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. **4594**]
April 17, 1958]

RESERVE REQUIREMENTS

New Supplement to Regulation D

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

The Board of Governors has reduced the reserves required to be maintained by central reserve city banks against demand deposits by $\frac{1}{2}$ of one per cent, effective today, April 17, and by an additional $\frac{1}{2}$ of one per cent effective April 24. The Board has also reduced the reserves required to be maintained by reserve city banks against demand deposits by $\frac{1}{2}$ of one per cent, effective April 24. Following is a quotation from the Board's statement on the reduction, released for publication today:

This action will release about \$450 million from present required reserves. The reduction for central reserve cities from 19 per cent to $18\frac{1}{2}$ per cent, effective today, will release about \$130 million of reserves, and the reduction from $18\frac{1}{2}$ per cent to 18 per cent, effective April 24, will release about the same amount. At reserve city banks the reduction from 17 per cent to $16\frac{1}{2}$ per cent, effective April 24, will release about \$190 million.

The new requirements are set forth in the enclosed Supplement to Regulation D.

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

ALFRED HAYES,
President.

SUPPLEMENT TO REGULATION D

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective as to each member bank at the opening of business
on April 17, 1958, except as otherwise indicated.

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

Pursuant 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:

1. If not in a reserve or central reserve city—

- (a) 5 per cent of its time deposits, plus
- (b) 11 per cent of its net demand deposits.

2. 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 the reserves specified in paragraph 1 above)—

- (a) 5 per cent of its time deposits, plus
- (b) 17 per cent of its net demand deposits until the opening of business on April 24, 1958, and 16½ per cent of its net demand deposits thereafter.

3. If 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 the reserves specified in paragraph 1 or 2 above)—

- (a) 5 per cent of its time deposits, plus
- (b) 18½ per cent of its net demand deposits until the opening of business on April 24, 1958, and 18 per cent of its net demand deposits thereafter.