

**FEDERAL RESERVE BANK  
OF NEW YORK**

[ Circular No. 4781 ]  
[ September 21, 1959 ]

**Amendment of Regulations E, G, H, I, J, L, Q, and U**

*To All Banks, and Others Concerned,  
in the Second Federal Reserve District:*

As indicated in our Circular No. 4775, dated August 24, 1959, the Board of Governors of the Federal Reserve System amended its Regulations E, G, H, I, J, L, and U, effective August 21, 1959, to reflect the admission of Hawaii to statehood. Copies of the amendments are enclosed for those on our mailing lists to receive the respective regulations.

Effective October 1, 1959, the Board of Governors amended its Regulation Q, *Payment of Interest on Deposits*, by permitting member banks to allow a grace period of 10 calendar days in any month in computing interest on savings deposits rather than as now provided in section 3(d) of the regulation. Copies of the amendment to Regulation Q are enclosed for those on our mailing list to receive that regulation.

Additional copies of any of the enclosures will be furnished upon request.

**ALFRED HAYES,**  
*President.*

# **PURCHASE OF WARRANTS**

## **AMENDMENT TO REGULATION E**

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

Effective August 21, 1959, the term "municipality" as defined in section II of Regulation E is amended to read as follows:

The term "municipality" shall be construed to mean "State, county, district, political subdivision, or municipality in the States of the United States and the District of Columbia, including irrigation, drainage, and reclamation districts."

# COLLECTION OF NONCASH ITEMS

## AMENDMENT TO REGULATION G

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective August 21, 1959, footnote 1 of Regulation G is amended to read as follows:

<sup>1</sup> For the purposes of this Regulation, any dependency, insular possession or part of the United States outside the States of the United States and the District of Columbia shall be deemed to be in or of such Federal Reserve district as the Board of Governors may designate.

### DESIGNATIONS OF FEDERAL RESERVE DISTRICTS FOR BANKS IN TERRITORIES, DEPENDENCIES, ETC.

Pursuant to footnote 1 of Regulation G, as amended, the Board of Governors has taken the following action for the purposes of such regulation:

The designation of Hawaii is hereby deleted.

**MEMBERSHIP OF STATE BANKING INSTI-  
TUTIONS IN THE FEDERAL  
RESERVE SYSTEM**

**AMENDMENT TO REGULATION H**

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

Effective August 21, 1959, footnote 1 of Regulation H is amended to read as follows:

<sup>1</sup> Under the provisions of section 19 of the Federal Reserve Act, national banks or banks organized under local laws, located in a dependency or insular possession or any part of the United States outside the States of the United States and the District of Columbia are not required to become members of the Federal Reserve System but may, with the consent of the Board, become members of the System. However, this Regulation H is applicable only to the admission of banks eligible for admission to membership under section 9 of the Federal Reserve Act and does not cover the admission of banks eligible under section 19 of the Act. Any bank desiring to be admitted to the System under the provisions of section 19 should communicate with the Federal Reserve Bank with which it desires to do business.

**INCREASE OR DECREASE OF CAPITAL STOCK  
OF FEDERAL RESERVE BANKS AND CAN-  
CELATION OF OLD AND ISSUE OF  
NEW STOCK CERTIFICATES**

**AMENDMENT TO REGULATION I**

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

Effective August 21, 1959, footnote 1 of Regulation I is amended to read as follows:

<sup>1</sup> Under the provisions of section 19 of the Federal Reserve Act, national banks located in a dependency or insular possession or any part of the United States outside the States of the United States and the District of Columbia are not required to become members of the Federal Reserve System but may, with the consent of the Board, become members of the System. Any such bank desiring to be admitted to the System under the provisions of section 19 should communicate with the Federal Reserve Bank with which it desires to do business.

# CHECK CLEARING AND COLLECTION

## AMENDMENT TO REGULATION J

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective August 21, 1959, footnote 1 of Regulation J is amended to read as follows:

<sup>1</sup> For the purposes of this Regulation, any dependency, insular possession or part of the United States outside the States of the United States and the District of Columbia shall be deemed to be in or of such Federal Reserve district as the Board of Governors may designate.

### **DESIGNATIONS OF FEDERAL RESERVE DISTRICTS FOR BANKS IN TERRITORIES, DEPENDENCIES, ETC.**

Pursuant to footnote 1 of Regulation J, as amended, the Board of Governors has taken the following action for the purposes of such regulation:

The designation of Hawaii is hereby deleted.

**INTERLOCKING BANK DIRECTORATES  
UNDER THE CLAYTON ACT**

**AMENDMENT TO REGULATION L**

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

Effective August 21, 1959, footnote 3(b) to section 2(b) of Regulation L is amended to read as follows:

3(b) Banking institutions organized under the laws of territories, dependencies, or insular possessions of the United States, such as Puerto Rico or the Canal Zone, and not organized under the National Bank Act; and

# PAYMENT OF INTEREST ON DEPOSITS

## AMENDMENT TO REGULATION Q

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Regulation Q is hereby amended, effective October 1, 1959, by changing subsection (d) of section 3 thereof to read as follows:

(d) Grace periods in computing interest on savings deposits. -- A member bank may pay interest on a savings deposit received during the first 10 calendar days of any calendar month at the applicable maximum rate prescribed pursuant to subsection (a) of this section calculated from the first day of such calendar month until such deposit is withdrawn or ceases to constitute a savings deposit under the provisions of this regulation, whichever shall first occur; and a member bank may pay interest on a savings deposit withdrawn during its last 3 business days of any calendar month ending a regular quarterly or semi-annual interest period at the applicable maximum rate prescribed pursuant to subsection (a) calculated to the end of such calendar month.



**LOANS BY BANKS FOR THE PURPOSE OF  
PURCHASING OR CARRYING REGISTERED  
STOCKS**

**AMENDMENT TO REGULATION U**

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

Effective August 21, 1959, section 221.2(i) of Regulation U is amended to read as follows:

(i) Any loan made outside the States of the United States and the District of Columbia;