

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. **4879**
April 25, 1960]

TREASURY FINANCING

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

The following statement was made public today by the Treasury Department:

Holders of 4 percent Treasury Certificates of Indebtedness of Series B-1960, 3½ percent Treasury Notes of Series A-1960, and 3¼ percent Treasury Notes of Series B-1960, maturing May 15, 1960, aggregating about \$6.4 billion, will be given the privilege of exchanging these securities for a new issue, or issues, of securities to be dated May 15, 1960.

The terms of the new issue, or issues, will be announced toward the end of this week. Cash subscriptions will not be accepted for the new securities.

ALFRED HAYES,
President.

**FEDERAL RESERVE BANK
OF NEW YORK**

April 27, 1960

PROPOSED AMENDMENTS TO REGULATIONS T AND U

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

There is printed on the reverse side of this letter
an excerpt from the Federal Register of April 23, 1960, con-
taining Notices of Proposed Rule Making by the Board of
Governors of the Federal Reserve System, setting forth
reasons for a proposed amendment (on the transfer of general
accounts between customers) to its Regulation T and for a
proposed amendment (on transfers of loans between borrowers)
to its Regulation U, together with the texts of the proposed
amendments.

The Board of Governors will be glad to receive in
writing and not later than May 16, 1960, the views of
interested persons on the proposed amendments. Comments from
persons in the Second Federal Reserve District should be
sent to this Bank, for transmittal to the Board of Governors.

HOWARD D. CROSSE,
Vice President.

(over)

FEDERAL RESERVE SYSTEM

[[12 CFR Part 220]]

[Reg. T]

CREDIT BY BROKERS, DEALERS, AND MEMBERS OF NATIONAL SECURITIES EXCHANGES

Notice of Proposed Rule Making

The Board of Governors of the Federal Reserve System recently has considered situations arising under paragraph (d) of § 220.6 of Part 220 (Regulation T), relating to the transfer of general accounts between customers. In order to eliminate possible ambiguities and to make clearer what situations are covered by that provision, and what situations are not, it is proposed to amend paragraph (d) of § 220.6 to read as follows:

§ 220.6 Certain technical details.

* * * * *

(d) *Transfer of accounts*—(1) In the event of the transfer of a general account from one creditor to another, such account may be treated for the purposes of this part as if it had been maintained by the transferee from the date of its origin: *Provided*, That the transferee accepts in good faith the signed statement of the transferor that no cash or securities need be deposited in the account in connection with any transaction that has been effected in the account or, in case he finds that it is not practicable to obtain such a statement from the transferor, accepts in good faith such a signed statement from the customer.

(2) In the event of the transfer of a general account from one customer to another (or to others) as a bona fide incident to a legal succession, each such transferee account may be treated by the creditor for the purposes of this part as if it had been maintained for the transferee from the date of its origin. Examples of such successions are: Trustees in bankruptcy and receiver, in place of bankrupts and other insolvents; executors, administrators, and successor trustees in place of decedents; successor trustees or other fiduciaries, in place of their predecessors; beneficiaries, in place of trustees or other fiduciaries.

This notice is published pursuant to section 4 of the Administrative Procedure Act and section 2 of the rules of procedure of the Board of Governors of the Federal Reserve System (12 CFR 262.2). The proposed change is authorized under the authority cited at 12 CFR Part 220.

To aid in the consideration of the foregoing matter the Board will be glad to receive from interested persons any relevant data, views, or arguments. Although such material may be sent directly to the Board, it is preferable that it be sent to the Federal Reserve Bank of the district, which will forward it to the Board for consideration. All such material should be submitted in writing to be received not later than May 16, 1960.

Dated at Washington, D.C., this 18th day of April 1960.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,

[SEAL] MERRITT SHERMAN,
Secretary.

[F.R. Doc. 60-3694; Filed, Apr. 22, 1960;
8:45 a.m.]

[[12 CFR Part 221]]

[Reg. U]

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

Notice of Proposed Rule Making

The Board of Governors of the Federal Reserve System recently has considered situations arising under paragraph (e) of § 221.3 of Part 221 (Regulation U), relating to the transfer of loans between borrowers. In order to eliminate possible ambiguities and to make clearer what situations are covered by that provision, and what situations are not, it is proposed to amend paragraph (e) of § 221.3 to read as follows:

§ 221.3 Miscellaneous provisions.

* * * * *

(e) A bank may (1) accept the transfer of a loan from another bank or (2) permit the transfer of a loan between borrowers as a bona fide incident to a legal succession, without following the requirements of this part as to the making of a loan, provided the loan is not increased and the collateral for the loan is not changed; and, after such transfer, a bank may permit such withdrawals and substitutions of collateral as the bank might have permitted if it had been the original maker of the loan or had originally made the loan to the new borrower. Examples of successions referred to in the preceding sentence are: Trustees in bankruptcy and receivers, in place of bankrupts and other insolvents; executors, administrators, and beneficiaries, in place of decedents; successor trustees or other fiduciaries, in place of their predecessors; beneficiaries, in place of trustees or other fiduciaries.

This notice is published pursuant to section 4 of the Administrative Procedure Act and section 2 of the rules of procedure of the Board of Governors of the Federal Reserve System (12 CFR 262.2). The proposed change is authorized under the authority cited at 12 CFR Part 221.

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Dated at Washington, D.C., this 18th day of April 1960.

BOARD OF GOVERNORS OF THE
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[SEAL] MERRITT SHERMAN,
Secretary.

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8:45 a.m.]