

**FEDERAL RESERVE BANK  
OF NEW YORK**

[ Circular No. 4905 ]  
June 28, 1960 ]

**CHANGE IN CLASSIFICATION OF MEMBER BANKS  
FOR PURPOSE OF ELECTING DIRECTORS**

*To All Member Banks of the  
Second Federal Reserve District :*

The Board of Governors of the Federal Reserve System has changed the classification of member banks in the Second Federal Reserve District for the purpose of electing class A and class B directors of the Federal Reserve Bank of New York. Under the Board's previous classification, Group 1 consisted of banks with capital and surplus of \$20,000,000 and more ; Group 2, of banks with capital and surplus of \$800,000 and more, but less than \$20,000,000 ; and Group 3, of banks with capital and surplus of less than \$800,000.

The new classification is as follows :

Group 1 consists of banks with capital and surplus of \$25,000,000 or more ;

Group 2, of banks with capital and surplus of more than \$1,000,000 but less than \$25,000,000 ; and

Group 3, of banks with capital and surplus of \$1,000,000 or less.

The change in classification is intended to achieve a better distribution of member banks in the three groups, each of which "shall consist as nearly as may be of banks of similar capitalization" as specified in section 4 of the Federal Reserve Act. The groupings were out of alignment as the result of recent increases in capitalization of member banks and a reduction in the number of member banks through mergers and absorptions.

The new classification will be used in the fall of this year, when Group 3 banks will be voting for a class A and a class B director for three-year terms beginning January 1, 1961.

PHILIP D. REED,

*Chairman of the Board.*