

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK 45, N.Y.

RECTOR 2-5700

March 23, 1965

To The Commercial Bank Addressed:

In order to implement the portion of the President's balance-of-payments program that involves the banking community, the Federal Reserve System will need regular reports on the foreign assets of U.S. banks holding such assets. At the same time the System desires to keep the reporting burden at a minimum. It has been decided that all banks holding foreign assets in amounts of \$100,000 or more, and not now reporting monthly on Treasury Foreign Exchange Forms B-2 or B-3, should be requested to report their holdings on a quarterly basis.

For your information, foreign short-term assets include loans to foreigners, customers' liability on outstanding acceptances made for account of foreigners, deposits held in foreign banks, and foreign government obligations, commercial paper, or finance paper, all regardless of the currency in which the asset is denominated. Long-term assets include term loans (loans with an original maturity of more than one year), holdings of stocks and securities without contractual maturity or with an original maturity of more than one year, and any other long-term foreign assets. Loans include any participations held by you in loans made by others.

"Foreigners" for this purpose include individuals, partnerships, and corporations domiciled outside the United States, regardless of citizenship; branches and subsidiaries of American banks or other U.S. corporations located in foreign countries; any government of a foreign country or official agency thereof even though located in the United States; and any official international or regional institution created by treaty even though located in the United States.

If your bank held foreign assets as described above in the amount of \$100,000 or more on December 31, 1964, or holds them in such amount at present, it is requested that you return the enclosed, self-addressed post card to the Federal Reserve Bank of New York. The necessary forms and instructions will be sent to you promptly. If your bank does not now have foreign assets in excess of \$100,000, but if at any time in the future they do exceed \$100,000, please notify us.

Any questions you may have concerning Form FR 391a should be addressed to the Balance of Payments Division (Telephone Extension 2000). Other questions concerning the balance-of-payments program should be addressed to the Foreign Department (Telephone Extension 1000).

Very truly yours,

Alfred Hayes  
President

Enclosure.