

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 5736]
December 6, 1965]

Operating Circular No. 13, Discount Rates

Supplement to Regulation Q, Maximum Rates
on Time and Savings Deposits

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

Our Circular No. 5735, sent to you yesterday, transmitted a statement of the Board of Governors of the Federal Reserve System announcing increases in the discount rates of this Bank and of the Federal Reserve Bank of Chicago, and increases in maximum rates on time deposits under the Board's Regulation Q, all effective today. Pursuant to that circular, enclosed are copies of this Bank's Operating Circular No. 13, setting forth this Bank's new discount rates, and of the Supplement to Regulation Q, setting forth the maximum rates of interest now payable by member banks on time and savings deposits.

Additional copies of the enclosures will be furnished upon request.

ALFRED HAYES,
President.

SUPPLEMENT TO REGULATION Q

SECTION 217.6

MAXIMUM RATES OF INTEREST PAYABLE ON TIME AND SAVINGS DEPOSITS BY MEMBER BANKS

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective December 6, 1965

Pursuant to the provisions of section 19 of the Federal Reserve Act and § 217.3, the Board of Governors of the Federal Reserve System hereby prescribes the following maximum rates¹ of interest payable by member banks of the Federal Reserve System on time and savings deposits:

(a) **Maximum rate of 5½ per cent.**—No member bank shall pay interest accruing at a rate in excess of 5½ per cent per annum, compounded quarterly,² regardless of the basis upon which such interest may be computed, on any time deposit.

(b) **Maximum rate of 4 per cent.**—No member bank shall pay interest accruing at a rate in excess of 4 per cent per annum, compounded quarterly,² regardless of the basis upon which such interest may be computed, on any savings deposit.

¹ The maximum rates of interest payable by member banks of the Federal Reserve System on time and savings deposits as prescribed herein are not applicable to any deposit which is payable only at an office of a member bank located outside of the States of the United States and the District of Columbia.

² This limitation is not to be interpreted as preventing the compounding of interest at other than quarterly intervals, provided that the aggregate amount of such interest so compounded does not exceed the aggregate amount of interest at the rate above prescribed when compounded quarterly.

FEDERAL RESERVE BANK
OF NEW YORK

[Operating Circular No. 13
Revised December 6, 1965]

DISCOUNT RATES

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

1. This Bank has established the following new rates, effective December 6, 1965:

A rate of $4\frac{1}{2}$ per cent per annum on advances to, and discounts for, member banks under sections 13 and 13a of the Federal Reserve Act.

A rate of 5 per cent per annum on advances to member banks under section 10(b) of the Federal Reserve Act.

A rate of $5\frac{1}{2}$ per cent per annum on advances to individuals, partnerships, and corporations other than member banks under the last paragraph of section 13 of the Federal Reserve Act.

Shown below is the schedule of rates now in effect at this Bank on advances and discounts made under the Federal Reserve Act.

2. This circular supersedes our Operating Circular No. 13, Revised November 24, 1964.

ALFRED HAYES,
President.

Rate Schedule, Effective December 6, 1965

	<i>Per Cent Per Annum</i>
<i>Advances to and discounts for member banks:</i>	
(a) Advances and discounts under sections 13 and 13a of the Federal Reserve Act	$4\frac{1}{2}$
(b) Advances under section 10(b) of the Federal Reserve Act	5
<i>Advances to individuals, partnerships, and corporations other than member banks:</i>	
Advances under last paragraph of section 13 of the Federal Reserve Act secured by direct obligations of the United States	$5\frac{1}{2}$