

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 6110]
February 2, 1968]

Errata in Circular No. 6108

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

Our Circular No. 6108 contains the text of a statement issued yesterday by the Board of Governors of the Federal Reserve System concerning its adoption of changes in its margin regulations. The second paragraph under item 2 of that statement reads as follows:

The 50 per cent initial margin requirement applies to all new loans made after February 1, 1968 by banks, brokers and dealers, and other lenders. On loans made by banks between October 20, 1967 and February 1, 1968, a fully margined (50 per cent) status must be achieved by April 10, 1968; bank loans made *before* October 20, 1967 are not affected unless there have been subsequent substitutions of collateral or conversions into stock.

The Board of Governors has informed us that the term "brokers and dealers" should not have been included in that paragraph, and that the following summarizes the way in which the new margin requirement will become effective as to loans on convertible securities:

1. Brokers and dealers — New requirement applies to loans made beginning March 11, 1968.
2. Banks — All loans made between October 20, 1967 and March 11, 1968 will have to be brought to full margin by April 10, 1968.
3. Regulation G lenders — All loans made between February 1 and March 11, 1968 will have to be brought to full margin by April 10, 1968.
4. All loans made by banks, brokers and dealers, or Regulation G lenders, beginning March 11, 1968, must comply with the 50 per cent initial margin when made.

ALFRED HAYES,
President.