

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 6150]
April 15, 1968]

MARGIN REGULATIONS
Deferral of Certain Agency Provisions

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

Our Circular No. 6146, dated April 2, 1968, contained the text of a statement issued by the Board of Governors of the Federal Reserve System announcing its adoption of amendments to its Regulations G, T, and U to ease restrictions on banks, brokers, and other lenders acting as agents in handling transactions involving loans on securities; that circular also transmitted copies of the amendments referred to in the statement.

On April 12 the Board of Governors announced the deferral, from April 17 to May 17, 1968, of the date by which banks, brokers, and other lenders must obtain the statements required by the amendments. Following is the text of the Board's announcement:

The Board of Governors today extended to May 17, 1968, the period within which banks, brokers/dealers, and other lenders subject to the Board's margin requirements must obtain statements from certain of their customers — those who are in the business of lending against registered equity securities — for whom they are acting as agent. Unless the customer is in such lending business, the statement need not be obtained.

The required statements are to the effect that the customer is not extending or maintaining credit in violation of the Board's margin regulations. In view of the number of statements that will have to be obtained initially in order to comply with the regulation, and the high volume of securities transactions currently being processed, additional time will be needed to obtain statements from all present customers who should furnish them. New customers who lend on registered equity securities should furnish the statements as needed.

Similarly deferred is the requirement that banks obtain certain statements in respect to foreign transactions they handle as agent.

ALFRED HAYES,
President.