

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 6274]
[January 13, 1969]

Time Extended to February 14 for Comments on Proposed Amendments
to Margin Regulations G and U Relating to "Equity Funding" Programs

*To All Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:*

The following statement was made public January 10 by the Board of Governors of the Federal Reserve System:

The Board of Governors of the Federal Reserve System announced today that it has extended to February 14, 1969, the time within which comments may be submitted by persons interested in the Board's proposal of December 10, 1968, to bring "equity funding" plans or programs under margin Regulations G and U. Comments on this proposal were to have been received not later than January 13, 1969.

In conformity with the extension of time to comment, the date after which the offering or sale of such programs would cause credit extended in connection therewith to be subject to the regulations would be pushed back from January 31 to April 30, 1969. Accordingly, if the proposal is adopted in its present form, credit extended in connection with programs sold prior to April 30, 1969 would not be affected.

Time to comment on another proposed amendment to Regulations G and U, announced by the Board in conjunction with the "equity funding" proposal would not, however, be extended beyond January 13, 1969. Under this proposal, any security issued by an investment company would be subject to the regulation unless 95 per cent of the company's assets were invested in "exempted" (chiefly Government) securities, and publication of the Board's "List of Stocks Registered on a National Securities Exchange and of Securities of Certain Investment Companies" would be discontinued.

The texts of the proposed amendments to Regulations G and U are contained in our Circular No. 6258, which was sent to you on December 13, 1968.

ALFRED HAYES,
President.