

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 6371]
[July 21, 1969]

CHANGE IN CLASSIFICATION OF MEMBER BANKS
FOR PURPOSE OF ELECTING DIRECTORS

*To the Member Banks of the
Second Federal Reserve District:*

The Board of Governors of the Federal Reserve System has changed the classification of member banks in the Second Federal Reserve District for the purpose of electing class A and class B directors of the Federal Reserve Bank of New York. Under the Board's previous classification, Group 1 consisted of banks with capital and surplus of more than \$40,000,000; Group 2, of banks with capital and surplus of \$1,500,000 to \$40,000,000, inclusive; and Group 3, of banks with capital and surplus of less than \$1,500,000.

The new classification is as follows:

- Group 1 consists of banks with capital and surplus of more than \$65,000,000;
- Group 2, of banks with capital and surplus of \$3,000,000 to \$65,000,000, inclusive; and
- Group 3, of banks with capital and surplus of less than \$3,000,000.

The change in classification is intended to achieve a better distribution of member banks in the three groups, each of which "shall consist as nearly as may be of banks of similar capitalization" as specified in section 4 of the Federal Reserve Act. The groupings were out of alignment as the result of recent increases in capitalization of member banks and a reduction in the number of member banks through mergers and absorptions.

The new classification will be used this year, when Group 3 banks will be voting for a class A and a class B director for three-year terms beginning January 1, 1970.

ALBERT L. NICKERSON,
Chairman of the Board.