

FEDERAL RESERVE BANK  
OF NEW YORK

Circular No. 6475  
January 23, 1970

COMPUTATION OF INTEREST AT NEW RATE  
ON PASSBOOK SAVINGS UNDER REGULATION Q

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

Following is the text of a statement issued today by the Board of Governors of the Federal Reserve System:

The Board of Governors of the Federal Reserve System said today that for accounting convenience, member commercial banks which increase their interest rate on passbook savings may if they desire compute interest at the new rate from January 1, 1970, on savings deposits held on January 20, the date the Board announced a new structure of maximum interest rates payable on deposits.

The Board approved a maximum interest rate on passbook savings, effective January 21, of 4.50 per cent, compared with the previous maximum of 4 per cent. Permission for member banks to compute interest on passbook savings at the new rate beginning January 1 was granted to avoid additional complexities in making interest computation.

Alfred Hayes,  
President.