FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045

AREA CODE 212 732-5700

April 19, 1972

ESTIMATING THE NET EFFECT OF PROPOSED CHANGES IN REGULATIONS D AND J

To the Chief Executive Officers of All Banks in the Second Federal Reserve District:

In conjunction with the proposed changes in Regulations D and J as outlined in our Circular No. 6919, dated March 28, 1972, the Federal Reserve Bank of New York has devised a worksheet which should enable each bank in the Second Federal Reserve District to estimate the net effect of the proposals on its money position. Two copies of the worksheet are provided for your use.

Since we are interested in measuring the overall impact of the proposals on banks in this District, and in appraising the desirability of the specific provisions in the proposals, we would appreciate receiving a copy of your bank's completed worksheet. Please send a copy, together with any comments or questions you may have, to Fred W. Piderit, Jr., Vice President.

Alfred Hayes President

A. Ef	ffect of change in Regula	ation J (applic	able to all banks)					
1.	1. Estimated daily total cash letter(s) sent to Federal Reserve Bank of New York and/or to Second District correspondent bank(s)\$							
2.	2. Portion of above total drawn on Second District country banks located in Buffalo Branch Territory, i.e., checks with routing symbol 223*							
3.	3. Estimated daily total of cash letter(s) received from Federal Reserve Bank of New York\$ **							
4.	4. Net gain or loss: If item 3 is greater than item 2, your bank loses funds; if item 3 is less than item 2 your bank gains funds							
usable	* Under the Regula	ation J proposa o you or to you	l, this total will be av	railable in				
	** Under the Regulareserve account (if a member bank) one day faste:	mber bank) or t		narged to nk (if a				
B. Effect of reduced required reserves under proposed changes in Regulation D (applicable to member banks)								
1.	. Present reserve requi	rements						
	Reserve city banks	Country banks	Applicable to net demand deposits of					
	17%	12 1/2%	\$0-\$5 million	\$				
	17 1/2%	13%	Over \$5 million	\$				
((a) Total present reser net demand deposits	ve requirements for reserve pe	on average	\$				
	(a) Total present reser net demand deposits	ve requirements for reserve pe	on average eriod ended	\$				
	(a) Total present reser net demand deposits March 15, 1972	ve requirements for reserve pe	e on average eriod ended Le to net posits of	\$\$ \$\$				
	(a) Total present reser net demand deposits March 15, 1972	ve requirements for reserve pe Applicable demand dep \$0-\$2 mill	e on average eriod ended Le to net posits of	\$\$ \$\$ \$\$				
	(a) Total present reser net demand deposits March 15, 1972 Proposed reserve requirements 8%	ve requirements for reserve pe Applicable demand dep \$0-\$2 million	e on average eriod ended e to net posits of	\$\$ \$\$ \$\$				
	(a) Total present reser net demand deposits March 15, 1972 Proposed reserve requirements 8% 10%	ve requirements for reserve pe Applicable demand dep \$0-\$2 million	e on average eriod ended Le to net cosits of Lion n-\$10 million on-\$400 million	\$\$ \$\$ \$\$				
2.	(a) Total present reser net demand deposits March 15, 1972 Proposed reserve requirements 8% 10% 13% 17 1/2% (a) Total proposed reserve net demand deposits	Applicable demand dep \$0-\$2 million \$10 million over \$400 erve requirements for reserve pe	s on average eriod ended Le to net posits of— Lion 1-\$10 million 2 on average eriod ended	\$\$ \$\$				
2.	(a) Total present reser net demand deposits March 15, 1972 Proposed reserve requirements 8% 10% 13% 17 1/2% (a) Total proposed rese net demand deposits March 15, 1972	Applicable demand deman	e on average eriod ended Le to net cosits of Lion n-\$10 million on-\$400 million million ts on average eriod ended	\$\$ \$\$ \$				
2.	(a) Total present reser net demand deposits March 15, 1972 Proposed reserve requirements 8% 10% 13% 17 1/2% (a) Total proposed rese net demand deposits March 15, 1972	Applicable demand dep \$0-\$2 million \$10 million Over \$400 erve requirement for reserve percentage of the control of the cont	e on average eriod ended Le to net cosits of Lion n-\$10 million con-\$400 million million ts on average eriod ended on in reserve	\$\$ \$\$ \$				
2. C. Ne Co acc	(a) Total present reser net demand deposits March 15, 1972 Proposed reserve requirements 8% 10% 13% 17 1/2% (a) Total proposed reserve net demand deposits March 15, 1972 Item 1(a) minus item requirements on net demand deposits on net demand deposits march 15, 1972	Applicable demand dep \$0-\$2 million \$10 million Over \$400 arve requirements for reserve per security and deposits demand deposits ded changes If item A.4 total gain of from item B.3 to	s on average eriod ended de to net posits of— dion n-\$10 million n-\$400 million million as on average eriod ended on in reserve is a gain of funds (+), funds. If item A.4 is or get net gain or	\$\$ \$\$ \$				
2. C. Ne Co ac a lo	(a) Total present reser net demand deposits March 15, 1972 Proposed reserve requirements 8% 10% 13% 17 1/2% (a) Total proposed rese net demand deposits March 15, 1972 Item 1(a) minus item requirements on net det effect of both proposed ombine items B.3 and A.4 dd it to item B.3 to get loss (-), subtract it foss of funds	Applicable demand dep \$0-\$2 million \$10 million over \$400 arve requirement for reserve per sed changes and deposits ded changes are total gain of from item B.3 total gain of	s on average eriod ended de to net posits of— dion n-\$10 million n-\$400 million million as on average eriod ended on in reserve is a gain of funds (+), funds. If item A.4 is or get net gain or	\$\$ \$\$ \$				
2. C. Ne Co ad a lo Please any co	(a) Total present reser net demand deposits March 15, 1972 Proposed reserve requirements 8% 10% 13% 17 1/2% (a) Total proposed rese net demand deposits March 15, 1972 Item 1(a) minus item requirements on net det effect of both proposed ombine items B.3 and A.4 dd it to item B.3 to get loss (-), subtract it foss of funds	Applicable demand dep \$0-\$2 million \$2 million \$10 million Over \$400 arve requirement for reserve per \$2(a) = reduction the demand deposits and \$2 million of the second deposits and \$2	s on average eriod ended de to net posits of— dion n-\$10 million n-\$400 million million as on average eriod ended on in reserve is a gain of funds (+), funds. If item A.4 is or get net gain or	\$\$ \$\$				

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Federal Reserve Bank of St. Louis

Α.	. Effect of change in Regulation J (applicable to all banks)							
	2.	2. Portion of above total drawn on Second District country banks in Head Office territory, i.e., checks with routing symbols 211 through 217+\$						
	3.	Estimated daily tot received from Feder New York	al Reserve Bank of		-\$*			
	4.	·±\$						
	* Under the Regulation J proposal, this total will be available in usable funds one day faster to you or to your correspondent bank. ** Under the Regulation J proposal, this total will be charged to your reserve account (if a member bank) or to your correspondent bank (if a nonmem							
bank) one day faster than at present, i.e., on day of presentment. B. Effect of reduced required reserves under proposed changes in Regulation D (applicable to member banks)								
	1.	Present reserve req	uirements					
		Reserve city banks	Country banks	Applicable to net demand deposits of -	_			
		17%	12 1/2%	\$0-\$5 million	\$			
		17. 1/2%	13%	Over \$5 million	\$			
(a) Total <u>present</u> reserve requirements on average net demand deposits for reserve period ended March 15, 1972\$								
		requirements	demand deposi	ts of				
		8%	\$0-\$2 million \$2 million-\$10		\$			
		10%	\$					
		\$10 million \$400 million			\$			
		17 1/2%	Over \$400 mill:	ion	\$			
	. \$							
	3.	Item 1(a) minus item on net demand deposi	n 2(a) = reduction :	in reserve requirements	. \$			
C.	Net	effect of both propo	osed changes					
	fund	oine items B.3 and A.ds (+), add it to ite ds. If item A.4 is a m B.3 to get net gair	em B.3 to get total a loss (-), subtract	gain of	\$			
Please send a copy of this analysis(Be								
Fede	eral	Piderit, Jr., Vice F Reserve Bank of New K, N. Y. 10045	President York		(Location)(Date)			