

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

ESTIMATING THE NET EFFECT OF PROPOSED CHANGES IN REGULATIONS D AND J
(For Use by Banks in Buffalo Branch Territory)

A. Effect of change in Regulation J (applicable to all banks)

1. Estimated daily total cash letter(s) sent to Federal Reserve Bank of New York and/or to Second District correspondent bank(s)....\$ _____
2. Portion of above total drawn on Second District country banks located in Buffalo Branch Territory, i.e., checks with routing symbol 223.....+\$ _____ *
3. Estimated daily total of cash letter(s) received from Federal Reserve Bank of New York.....-\$ _____ **
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.....±\$ _____

* 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 nonmember bank) one day faster than at present.

B. Effect of reduced required reserves under proposed changes in Regulation D (applicable to member banks)

1. Present reserve requirements

| <u>Reserve city banks</u> | <u>Country banks</u> | <u>Applicable to net demand deposits of--</u> | |
|-------------------------------|--------------------------|---|----------|
| 17% | 12 1/2% | \$0-\$5 million | \$ _____ |
| 17 1/2% | 13% | Over \$5 million | \$ _____ |

- (a) Total present reserve requirements on average net demand deposits for reserve period ended March 15, 1972.....\$ _____

| <u>Proposed reserve requirements</u> | <u>Applicable to net demand deposits of--</u> | |
|--|---|----------|
| 8% | \$0-\$2 million | \$ _____ |
| 10% | \$2 million-\$10 million | \$ _____ |
| 13% | \$10 million-\$400 million | \$ _____ |
| 17 1/2% | Over \$400 million | \$ _____ |

- (a) Total proposed reserve requirements on average net demand deposits for reserve period ended March 15, 1972.....\$ _____

3. Item 1(a) minus item 2(a) = reduction in reserve requirements on net demand deposits.....\$ _____

C. Net effect of both proposed changes

Combine items B.3 and A.4. If item A.4 is a gain of funds (+), add it to item B.3 to get total gain of funds. If item A.4 is a loss (-), subtract it from item B.3 to get net gain or loss of funds.....\$ _____

Please send a copy of this analysis and any comments or questions to: _____

(Bank)

Fred W. Piderit, Jr., Vice President
Federal Reserve Bank of New York
New York, N.Y. 10045

(Location)

(Date)

ESTIMATING THE NET EFFECT OF PROPOSED CHANGES IN REGULATIONS D AND J
(For Use by Banks in Head Office Territory)

A. Effect of change in Regulation J (applicable to all banks)

1. Estimated daily total cash letter(s) sent to
Federal Reserve Bank of New York and/or to
Second District correspondent bank(s)\$ _____
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 total of cash letter(s)
received from Federal Reserve Bank of
New York..... -\$ _____ **
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.....+\$ _____

* 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 nonmember 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 requirements

| <u>Reserve city banks</u> | <u>Country banks</u> | <u>Applicable to net demand deposits of --</u> | |
|-------------------------------|--------------------------|--|----------|
| 17% | 12 1/2% | \$0-\$5 million | \$ _____ |
| 17 1/2% | 13% | Over \$5 million | \$ _____ |

(a) Total present reserve requirements on average net demand
deposits for reserve period ended March 15, 1972..... \$ _____

| <u>Proposed reserve requirements</u> | <u>Applicable to net demand deposits of --</u> | |
|--|--|----------|
| 8% | \$0-\$2 million | \$ _____ |
| 10% | \$2 million-\$10 million | \$ _____ |
| 13% | \$10 million-\$400 million | \$ _____ |
| 17 1/2% | Over \$400 million | \$ _____ |

(a) Total proposed reserve requirements on average net demand
deposits for reserve period ended March 15, 1972..... \$ _____

3. Item 1(a) minus item 2(a) = reduction in reserve requirements
on net demand deposits..... \$ _____

C. Net effect of both proposed changes

Combine items B.3 and A.4. If item A.4 is a gain of
funds (+), add it to item B.3 to get total gain of
funds. If item A.4 is a loss (-), subtract it from
item B.3 to get net gain or loss of funds..... \$ _____

Please send a copy of this analysis _____ (Bank)
and any comments or questions to: _____ (Location)
Fred W. Piderit, Jr., Vice President _____ (Date)
Federal Reserve Bank of New York
New York, N. Y. 10045