

FEDERAL RESERVE BANK  
OF NEW YORK

Fiscal Agent of the United States

[ Circular No. 6943 ]  
May 22, 1972

TREASURY TAX AND LOAN DEPOSITARIES

—Groups A, B, and C Reclassified as of June 20, 1972

—New Basis for Future Annual Reclassification

*To All Treasury Tax and Loan Depositaries  
in the Second Federal Reserve District:*

The Treasury Department has authorized and requested this Bank to reclassify the Treasury Tax and Loan Depositaries in this District into Groups A, B, and C as of June 20, 1972, upon the basis of the total deposits credited to tax and loan accounts during the period April 1 through December 31, 1971, exclusive of payments for subscriptions to Government securities and redeposits with Group C banks. Accordingly, depositaries that made a total of such deposits in this period in the amounts indicated below will be grouped as follows:

Group A—Less than \$5,000,000.

Group B—(1) \$5,000,000 or more, but less than \$50,000,000, and  
(2) \$50,000,000 or more, but less than \$100,000,000, in the case of depositaries whose total deposit liability (demand and time) was less than \$100,000,000 as of December 31, 1971.

Group C—(1) \$100,000,000 or more, and  
(2) \$50,000,000 or more, but less than \$100,000,000, in the case of depositaries whose total deposit liability (demand and time) was \$100,000,000 or more as of December 31, 1971.

The new groupings will be continued until further notice, regardless of any subsequent increase or decrease in tax and loan deposit levels of any depositary. Any depositary whose group classification will change on June 20, 1972 will be so notified in a letter accompanying this circular.

The Treasury Department has informed us that in this reclassification it sought to establish a line of demarcation for the Group C category that would capture an optimum in money flow while at the same time holding the number of such banks to a practical minimum. These objectives will result in an increase in the total number of Group C banks in all Federal Reserve Districts from 102 to 274, from which about 70 percent of the total Treasury Tax and Loan money flow could be called with the minimum advance notice. In this District, the number of Group C banks will increase from 19 to 47. The changes made by the Treasury Department in the Groups A and B categories are largely the result of the updating of account activity and achieve, to some extent, the practical objective of transferring the smallest Group B banks into the Group A category.

The Treasury Department has also informed us that in the future it proposes to reclassify the depositaries annually on the basis of all credits to tax and loan accounts, exclusive of redeposits with Group C banks. In 1973, however, the Treasury plans to reclassify depositaries on the basis of total credits, exclusive of payments for subscriptions to Government securities and redeposits with Group C banks, for the first six months of 1972, plus total credits, exclusive of redeposits with Group C banks, for the last six months of 1972. Reclassifications in 1974 and subsequent years will be based on total credits, exclusive of redeposits with Group C banks, for the previous calendar year.

ALFRED HAYES,  
President.