

FEDERAL RESERVE BANK  
OF NEW YORK

[ Circular No. 7240 ]  
October 1, 1973

AMENDMENT TO MARGIN REGULATION G

Elimination of "Single Credit Rule" in Stock Option and Employee Stock Purchase Plans

*To All Regulation G Registrants, and Others Concerned,  
in the Second Federal Reserve District:*

Enclosed is a copy of an amendment, effective October 29, 1973, to Regulation G, "Securities Credit by Persons Other Than Banks, Brokers, or Dealers," of the Board of Governors of the Federal Reserve System. In submitting the amendment for publication in the *Federal Register*, the Board of Governors made the following statement:

Pursuant to section 7 of the Securities Exchange Act of 1934 (15 U.S.C. 78g), the Board is issuing the following amendment to Part 207 by revising § 207.4(a)(2)(i). The change deletes the "single credit rule" in § 207.4(a)(2)(i) and substitutes the provision that each extension of credit pursuant to that section may be treated separately. This clarifies that withdrawal of collateral may be made after proper repayments have been made for at least three years and the deficiency as defined in § 207.4(a)(2)(ii) has been repaid with respect to each extension of credit. \* \* \*

Additional copies of the enclosure will be furnished upon request.

ALFRED HAYES,  
*President.*

Board of Governors of the Federal Reserve System

SECURITIES CREDIT BY PERSONS OTHER THAN  
BANKS, BROKERS, OR DEALERS

AMENDMENT TO REGULATION G

Effective October 29, 1973, section 207.4(a)  
(2)(i) is amended to read as follows:

SECTION 207.4—MISCELLANEOUS  
PROVISIONS

(a) Stock option and employee stock purchase plans.

\* \* \*

(2) \* \* \*

(i) Each such credit extended to any officer or employee pursuant to this subparagraph (2) in connection with the exercise of rights under one or more plans or with the periodic exercise of rights under a single plan, when such credits shall be outstanding at the same time, may be treated separately from any other credit extended pursuant to this subparagraph (2) and shall be treated separately from any other credit extended pursuant to sections 207.1(c), (d) and (g) of this part: *Provided*, That the collateral with respect to each individual credit extended pursuant to such plan or plans shall be identified with, and shall have loan value only with respect to, such individual credit;

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