

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 7414]
June 27, 1974

AMENDMENTS TO MARGIN REGULATIONS G, T, AND U

Changes in Listing Criteria for OTC Margin Stocks

*To All Persons Extending Securities Credit
in the Second Federal Reserve District:*

Following is the text of a statement issued June 24 by the Board of Governors of the Federal Reserve System:

The Board of Governors of the Federal Reserve System today amended, effective July 25, the criteria that over-the-counter (OTC) stocks must meet and continue to meet to be included on its List of OTC Margin Stocks. The amendments adopted today are substantially the same as those which were published for comment on April 16, 1974.

The criteria employed in selecting OTC stocks for inclusion on the List of OTC Margin Stocks were announced on July 8, 1969. More than 600 stocks are now on the list and subject to the Board's margin requirements.

The Board's action, which makes the criteria somewhat less restrictive, reflects the many changes that have occurred in the OTC market since 1969, particularly the impact of the National Association of Securities Dealers Automated Quotation System (NASDAQ).

Enclosed are copies of the amendments and supplements to margin Regulations G, T, and U, effective July 25, 1974, which reflect the Board of Governors' action. Additional copies of the enclosures will be furnished upon request.

ALFRED HAYES,
President.

Board of Governors of the Federal Reserve System

SECURITIES CREDIT TRANSACTIONS

AMENDMENTS TO REGULATIONS G, T, AND U

Effective July 25, 1974, subparagraph (4) of section 207.2(f) [Regulation G], of section 220.2(e) [Regulation T], and of section 221.3(d) [Regulation U], is amended to read as follows:

(4) The foregoing notwithstanding, the Board may omit or remove any stock that is not traded on a national securities exchange from or add any such stock to such list of OTC margin stocks, if in the judgment of the Board, such action is necessary or appropriate in the public interest.