

# FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045

PAUL A. VOLCKER  
PRESIDENT

ATCIR No 8468  
December 1, 1978

To The Chief Executive Officer of the Member Bank Addressed:

Subject: New Monthly Survey of NOW Accounts

As you know, on October 15, 1978, the Congress passed the Financial Institutions Regulatory and Interest Rate Control Act of 1978. President Carter signed the Congressional bill into law on November 10. Title XIII of the Act removed, in New York State, the prohibition in federal law with respect to the offering of interest-bearing accounts against which the depositor may write negotiable orders of withdrawal (NOW's). In a letter dated November 2, the Superintendent of Banks for the State of New York indicated that the Office of Counsel of the Banking Department had reviewed the issue of the authority for New York State chartered banking organizations to offer NOW accounts and advised her of their opinion that New York state-chartered commercial banks, savings banks and savings and loan associations have the authority to offer these NOW accounts.

Since Congress clearly intended to provide for an experiment with NOW accounts in the Northeast, the regulatory agencies need to have continuous and current data to enable them to monitor developments and to report these to Congress. Because separate data collection by each Federal banking agency could result in considerable duplication of effort, a cooperative project has been agreed upon by the Federal Reserve, Federal Deposit Insurance Corporation and Federal Home Loan Bank Board. The Federal Reserve Bank of New York has been selected as the central collecting agency for a monthly statistical report that is being requested from all depository institutions offering NOW accounts in New York. As you may be aware, the Federal Reserve Bank of Boston has been the central collecting agent for all depository institutions in New England since the inception of NOW accounts in the six states there.

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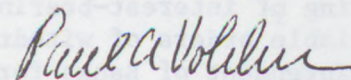
Three data items will be requested from all depository institutions in New York on a monthly basis beginning with December. The items are: (1) number of NOW accounts as of the last business day of the reporting month; (2) balances in NOW accounts as of the last business day of the reporting month; and (3) debits to (withdrawals from) NOW accounts during the reporting month, including both negotiable drafts and over-the-counter withdrawals. A supply of the new survey forms will be mailed to your bank shortly. The completed form is to be sent to the Domestic Reports Division of the Federal Reserve Bank of New York by no later than the tenth of the following month.

The Federal Reserve Bank of New York will publish, on a monthly basis, aggregate totals by type of institution and perhaps by Standard Metropolitan Statistical Area (SMSA). Naturally, no individual bank data will be published.

Questions concerning the new survey may be directed to Mr. Richard J. Gelson, Manager of the Statistics Department. He can be reached by telephone at (212) 791-6312.

Thank you in advance for your cooperation.

Sincerely yours,



Paul A. Volcker