

FEDERAL RESERVE BANK *AT CIRCULAR NO. 8609*
OF NEW YORK

July 23, 1979

TELEPHONE MESSAGE SERVICE FOR INFORMATION ON
MAXIMUM RATES OF INTEREST PERMITTED TO BE PAID ON 4-YEAR
VARIABLE CEILING CERTIFICATES AND 26-WEEK MONEY MARKET CERTIFICATES

To All Member Banks in the Second Federal Reserve District:

On Wednesday, July 25, 1979, this Bank will implement a recorded telephone message service to provide member banks with the latest information on the maximum rates of interest that may be paid on four-year fixed-rate variable-ceiling time deposits and on 26-week money market certificates. The telephone number for the recorded message is 212-791-5927.

Member banks are permitted to offer the four-year fixed-rate variable-ceiling certificate and the 26-week money market certificate pursuant to amendments, effective July 1, 1979 and June 1, 1978, respectively, to Regulation Q ("Interest on Deposits") of the Board of Governors of the Federal Reserve System. The ceiling rates for these certificates are tied, respectively, to the average four-year yield on U.S. Treasury securities and to the discount rate (auction average) on the most recently issued six-month Treasury bills.

Through the recorded message service, the information on rates will be available twenty-four hours a day, seven days a week. Changes in the interest rate ceiling relating to the four-year certificate will be reflected in the recorded message three business days prior to the start of each month. Information regarding the maximum rate established for the 26-week certificate will be updated on Tuesday of each week.

Any specific questions regarding this service or other matters relating to Regulation Q may be directed to our Consumer Affairs and Bank Regulations Department (Tel. No. 212-791-5923).

PAUL A. VOLCKER,
President.