

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 10252]
[July 26, 1988]

PRIVATE SECTOR PRESENTMENT
Comment Period On Same-Day
Payment Proposal Extended Through December 1

To All Depository Institutions, and Others Concerned,
in the Second Federal Reserve District:

Our Circular No. 10235, dated April 15, 1988, contained the text of a proposal by the Board of Governors of the Federal Reserve System regarding the concept of same-day payment for checks presented to paying banks by private-sector collecting banks. The Board has extended the comment period on that proposal through December 1, 1988.

Following is the text of a statement issued by the Board of Governors announcing the extension:

The Federal Reserve Board has extended the period for comment on its proposed concept of same-day payment for checks presented to paying banks by private sector collecting banks.

The proposed concept was published on April 5, 1988 with a comment period ending August 3, 1988.

In response to requests for additional time to prepare comments, the Board is extending the comment period through December 1, 1988.

Under the proposed concept, paying banks would pay for checks presented by collecting banks prior to 2:00 p.m. in same-day final funds, without the imposition of presentment fees.

Based upon the comments received, a specific proposal may be developed which could be issued for public comment prior to establishment of formal rules on the issue.

Printed below is the text of the Board's notice in this matter, as published in the *Federal Register* of July 21. Comments on the proposal may be sent to the Board of Governors or to John F. Sobala, Vice President of our Check Processing Function.

E. GERALD CORRIGAN,
President.

FEDERAL RESERVE SYSTEM

[Docket No. R-0631]

**Request for Comment; Private Sector
Presentment**

AGENCY: Board of Governors of the
Federal Reserve System.

ACTION: Extension of comment period.

SUMMARY: On April 5, 1988, the Board requested public comment on the concept of requiring paying banks to pay for checks presented by private sector

collecting banks before 2:00 p.m. in same-day funds and without the imposition of any fees for these presentments. 53 FR 11,911 (Apr. 11, 1988). The Secretary of the Board, acting pursuant to delegated authority, 12 CFR 262.2(a)(6), has extended the comment period for 120 days.

DATE: Comments must be received by December 1, 1988.

FOR FURTHER INFORMATION CONTACT: Elliott C. McEntee, Associate Director (202-452-2231), Louise L. Roseman, Associate Director (202-452-2789), Thomas C. Luck, Senior Analyst (202-

452-3935), Division of Federal Reserve Bank Operations; Joseph R. Alexander, Senior Attorney (202-452-2489), Legal Division; or for the hearing impaired only: Telecommunications Device for the Deaf, Earnestine Hill or Dorothea Thompson (202-452-3544).

By order of the Secretary of the Board, acting pursuant to delegated authority, 12 CFR 265.2(a)(6), July 15, 1988.

William W. Wiles,
Secretary of the Board.

[FR Doc. 88-16371 Filed 7-20-88; 8:45 am]
BILLING CODE 6210-01-M

In addition to NMS-designated securities, the Board will continue to monitor the market activity of other OTC stocks to determine which stocks meet the requirements for inclusion and continued inclusion on the List.

Margin regulations generally limit the amount of credit a person or firm may obtain to buy or carry stock. Stocks on the List of Marginable OTC Stocks are subject to the same margin requirements (currently 50 percent) as stocks listed on national securities exchanges. This means a person or firm buying a stock on credit must make a down payment equal to at least 50 percent of the purchase price of the stock and may obtain credit for the remaining 50 percent. These margin requirements are only applicable to credit extended on OTC Stocks after they are placed on the List and the List has become effective or are designated as NMS Securities. No credit may be extended by broker-dealers on OTC stocks not on the List or in the NMS group. Credit extended by banks and other lenders on OTC stocks not on the List or in the NMS group need only conform to the good faith lending limitation contained in Regulations G and U.

It is unlawful for any person to cause any representation to be made that inclusion of a stock on this List indicates that the Board or the Securities and Exchange Commission has in any way passed upon the merits of any such stock or transaction therein. Any references to the Board in connection with the List or any stocks thereon in any advertisement or similar communications is unlawful.

FEDERAL RESERVE press release



For use in morning papers
July 25, 1988

July 22, 1988

The Federal Reserve Board today published a revised list of over-the-counter (OTC) stocks that are subject to its margin regulations, effective August 8, 1988

This revised List of Marginable OTC Stocks supersedes the List of Marginable OTC Stocks that was effective on May 9, 1988. The changes that have been made in the List, which now includes 3,147 OTC stocks, are as follows:

- 77 stocks have been included for the first time, 63 under NMS designation.
- 68 stocks previously on the List have been removed for substantially failing to meet the requirements for continued listing.
- 77 stocks have been removed for reasons such as listing on a national securities exchange or involvement in an acquisition.

The list includes all over-the-counter securities designated by the Board pursuant to its established criteria as well as all stocks designated as National Market System (NMS) securities for which transaction reports are required to be made pursuant to an effective transaction reporting plan. Additional OTC securities may be designated as NMS securities in the interim between the Board's quarterly publications and will be immediately marginable. The next publication of the Board's list is scheduled for November 1988.

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