

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 6154]
April 19, 1968]

Operating Circular No. 13, Discount Rates

**Supplement to Regulation Q, Maximum Rates
on Time and Savings Deposits**

*To All Member Banks, and Others Concerned,
in the Second Federal Reserve District:*

Our Circular No. 6153, sent to you yesterday, contained the text of a statement of the Board of Governors of the Federal Reserve System announcing increases in the discount rates of this Bank and of the Federal Reserve Banks of Philadelphia and Minneapolis, and new maximum rates on certain time deposits under the Board's Regulation Q, all effective today. Pursuant to that circular, enclosed are copies of this Bank's Operating Circular No. 13, setting forth this Bank's new discount rates, and of the Supplement to Regulation Q, setting forth the maximum rates of interest now payable by member banks on time and savings deposits.

Additional copies of the enclosures will be furnished upon request.

ALFRED HAYES,
President.

FEDERAL RESERVE BANK
OF NEW YORK

[Operating Circular No. 13]
[Revised April 19, 1968]

DISCOUNT RATES

*To All Member Banks, and Others Concerned,
in the Second Federal Reserve District:*

1. This Bank has established the following new rates, effective April 19, 1968:

A rate of $5\frac{1}{2}$ per cent per annum on advances to, and discounts for, member banks under sections 13 and 13a of the Federal Reserve Act.

A rate of 6 per cent per annum on advances to member banks under section 10(b) of the Federal Reserve Act.

A rate of 7 per cent per annum on advances to individuals, partnerships, and corporations other than member banks under the last paragraph of section 13 of the Federal Reserve Act.

Shown below is the schedule of rates now in effect at this Bank on advances and discounts made under the Federal Reserve Act.

2. This circular supersedes our Operating Circular No. 13, Revised March 22, 1968.

ALFRED HAYES,
President.

Rate Schedule, Effective April 19, 1968

	<i>Per Cent Per Annum</i>
<i>Advances to and discounts for member banks:</i>	
(a) Advances and discounts under sections 13 and 13a of the Federal Reserve Act	$5\frac{1}{2}$
(b) Advances under section 10(b) of the Federal Reserve Act	6
<i>Advances to individuals, partnerships, and corporations other than member banks:</i>	
Advances under last paragraph of section 13 of the Federal Reserve Act secured by direct obligations of the United States	7

SUPPLEMENT TO REGULATION Q

SECTION 217.6

MAXIMUM RATES OF INTEREST PAYABLE ON TIME AND SAVINGS DEPOSITS BY MEMBER BANKS

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective April 19, 1968

Pursuant to the provisions of section 19 of the Federal Reserve Act and § 217.3, the Board of Governors of the Federal Reserve System hereby prescribes the following maximum rates¹ of interest payable by member banks of the Federal Reserve System on time and savings deposits:

(a) Single maturity time deposits

(1) *Deposits of \$100,000 or more.*—No member bank shall pay interest on any single maturity time deposit of \$100,000 or more at a rate in excess of the applicable rate under the following schedule:

<i>Maturity</i>	<i>Maximum per cent per annum</i>
30 - 59 days	5½
60 - 89 days	5¾
90 - 179 days	6
180 days or more	6¼

(2) *Deposits of less than \$100,000.*—No member bank shall pay interest at a rate in excess of 5 per cent per annum on any single maturity time deposit of less than \$100,000.

(b) Multiple maturity time deposits

(1) *Deposits payable at intervals of at least 90 days.*—No member bank shall pay interest at a rate in excess of 5 per cent per annum on a multiple maturity time deposit that is payable only 90 days or more after the date of deposit, or 90 days or more after the last preceding date on which it might have been paid.

(2) *Deposits payable at intervals of less than 90 days.*—No member bank shall pay interest at a rate in excess of 4 per cent per annum on a multiple maturity time deposit that is payable less than 90 days after the date of deposit, or less than 90 days (but at least 30 days) after the last preceding date on which it might have been paid.

(c) Savings deposits

No member bank shall pay interest at a rate in excess of 4 per cent per annum on any savings deposit.

In calculating the rate of interest paid, the effects of compounding of interest may be disregarded. A member bank that elects to compound interest—either at the maximum permissible rate or at a lower rate—shall state the basis of compounding (such as semiannually, quarterly, monthly, weekly, daily, or continuously) in every advertisement, announcement, solicitation, and agreement relating to the rate of interest paid on a deposit.

¹ The maximum rates of interest payable by member banks of the Federal Reserve System on time and savings deposits as prescribed herein are not applicable to any deposit which is payable only at an office of a member bank located outside of the States of the United States and the District of Columbia.