

**FEDERAL RESERVE BANK  
OF NEW YORK**

Circular No. 8430  
October 5, 1978

**CHANGE IN CLASSIFICATION OF MEMBER BANKS  
FOR PURPOSE OF ELECTING DIRECTORS**

*To the Member Banks of the  
Second Federal Reserve District:*

The Board of Governors of the Federal Reserve System has changed the classification of member banks in the Second Federal Reserve District for the purpose of electing class A and class B directors of the Federal Reserve Bank of New York. Under the Board's previous classification, Group 1 consisted of banks with capital and surplus of more than \$65,000,000; Group 2, of banks with capital and surplus of \$3,000,000 to \$65,000,000, inclusive; and Group 3, of banks with capital and surplus of less than \$3,000,000.

The new classification is as follows:

- Group 1 consists of banks with capital and surplus of more than \$185,000,000;
- Group 2, of banks with capital and surplus of \$5,000,000 to \$185,000,000, inclusive; and
- Group 3, of banks with capital and surplus of less than \$5,000,000.

The change in classification is intended to achieve a better distribution of member banks in the three groups, each of which "shall consist as nearly as may be of banks of similar capitalization" as specified in section 4 of the Federal Reserve Act. The groupings were out of alignment as the result of increases in capitalization of member banks and a reduction in the number of member banks through mergers and absorptions.

The new classification will be used this year, when Group 3 banks will be voting for a class A and a class B director for three-year terms beginning January 1, 1979.

ROBERT H. KNIGHT,  
*Chairman of the Board.*