

FEDERAL RESERVE BOARD

119

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-3977

February 26, 1924.

Subject: Applications for Reduction in Reserve
Requirements.

Dear Sir:-

During the past few months the Federal Reserve Board has received several applications from member banks, located in outlying districts of reserve cities, for reductions in their reserve requirements, under Section 19 of the Federal Reserve Act, from 10% of demand deposits and 3% of time deposits to 7% of demand deposits and 3% of time deposits. Certain of these applications have been filed by banks which were newly organized or in operation for but a short length of time, or by long-established banks which have been members of the System for only a few months.

For your information, the Board has ruled that it shall be a condition precedent to the filing of an application for a reduction in reserves that the applicant bank shall have been a member of the Federal Reserve System and in operation as such for a period of at least one year prior to the date of such application.

Very truly yours,

J. C. Noell
Assistant Secretary.

TO ALL FEDERAL RESERVE AGENTS.