

FEDERAL RESERVE BOARD

WASHINGTON

X-7221

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

July 30, 1932.

SUBJECT: Discounts for Individuals, Partnerships
and Corporations.

Dear Sir:

In order that the Board may have adequate information with respect to notes, drafts and bills of exchange discounted by Federal reserve banks for individuals, partnerships and corporations under the provisions of the third paragraph of Section 13 of the Federal Reserve Act, as amended on July 21, 1932, it is requested that the BD-4 schedules submitted to the Federal Reserve Board covering such discounts show the following information as to each note, draft or bill of exchange discounted:

1. Name, business and principal place of business of the individual, partnership or corporation for which the paper is discounted.
2. Name, business and principal place of business of each party liable thereon, including indorsers (other than the individual, partnership or corporation for which the paper is discounted).
3. Rate at which discounted by Federal reserve bank.
4. Rate at which previously discounted or rate charged principal obligor.
5. Face amount (maturity value).

6. Date of note, draft or bill of exchange.

7. Date of maturity.

8. Collateral security: kind, aggregate face value, and approximate aggregate value as collateral.

Each schedule should also show:

1. Purpose for which the proceeds of the discount by the Federal reserve bank are to be used.

2. Reasons for inability of applicant to obtain credit from other banking institutions.

3. Kind, aggregate face value, and approximate aggregate value as collateral, of marginal or additional collateral, if any, pledged with the Federal reserve bank.

In order that the Board may also have current information regarding definite applications for discounts (not mere inquiries) under the above-mentioned provision of the Act which are not granted by the Federal reserve bank, it will be appreciated if you will submit a report to the Board as at the close of business each Saturday listing all such applications, showing in each case the name and address of the individual, partnership or corporation that applied for discount accommodation, the amount of the application, and the reason the Federal reserve bank did not make the discount. The reason should be stated briefly, as, for example, "Placed with _____ bank", "Ineligible", "Not satisfactorily secured", etc.

Very truly yours,

Chester Morrill,
Secretary.