

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARDFebruary 1, 1933.
B-875.SUBJECT: Deficiencies in reserves
of member banks.

Dear Sir:

There is inclosed a copy of revised form B-5, semi-annual summary report of deficiencies in reserves of member banks, for use beginning with 1933. This form takes the place of the quarterly report submitted on the present form B-5. A supply of the revised form is being sent you under separate cover.

All Federal reserve banks which formerly assessed progressive penalties for deficiencies in reserves have now discontinued that practice. You are accordingly authorized to discontinue the preparation of the lists that accompany the present form of quarterly report, showing member banks that would have been subject to a maximum progressive penalty of 10 per cent if progressive penalties had been assessed, copies of which are sent to the Comptroller of the Currency and to the Chief National Bank

- 2 -

Examiner in the case of National banks, and to State banking departments in the case of State member banks. However, the semi-annual report to the Board on revised form B-5 should be accompanied by a list of the banks that had a net deficiency in reserves in every reserve computation period, in accordance with the note appearing at the bottom of the form.

The Board desires that you continue to watch closely the reserve records of the member banks in your district, to consult with the Chief National Bank Examiner and the State authorities, and to furnish full information to the Federal Reserve Board regarding reserve deficiencies which continue over a period of six consecutive months in accordance with the Board's letters of June 2, 1932 (X-7171) and November 22, 1932 (X-7295).

Very truly yours,

Chester Morrill,
Secretary.

Inclosure.

TO ALL FEDERAL RESERVE AGENTS*

DEFICIENCIES IN RESERVES OF MEMBER BANKS DURING THE SIX-MONTH PERIOD
ENDING _____, 193 _____

Federal Reserve Bank of _____, including branches, if any.

	Number of banks	Aggregate net deficiencies* during six-month period
1. Banks that had a net deficiency in reserves in every reserve computation period**:		
a. In Federal reserve bank or branch cities		
b. In other reserve cities		
c. Outside of reserve cities (country banks)		
2. Banks that had a net deficiency in reserves in one-half or more (but not all) of the reserve computation periods:		
a. In Federal reserve bank or branch cities		
b. In other reserve cities		
c. Outside of reserve cities (country banks)		
3. Banks that had a net deficiency in reserves in less than one-half of the reserve computation periods:		
a. In Federal reserve bank or branch cities		
b. In other reserve cities		
c. Outside of reserve cities (country banks)		
	Number of banks	Amount of penalties incurred but not assessed
4. Banks which were not assessed penalties incurred during one or more reserve computation periods:		
a. In Federal reserve bank or branch cities		
b. In other reserve cities		
c. Outside of reserve cities (country banks)		

*By "net deficiency" is meant the excess of aggregate daily reserve requirements over aggregate daily reserves actually carried with the Federal reserve bank during the reserve computation period, without reference to whether or not penalties were assessed on such deficiency.

**This report should be accompanied by a list of the banks that had a net deficiency in reserves in every reserve computation period, showing the daily average required reserve of each such bank during the six-month period and its daily average deficiency in reserves (the aggregate net deficiencies divided by the number of calendar days in the six-month period).