

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

X-9545

April 13, 1936.

SUBJECT: Payment of Interest after Maturity on
Time Certificate of Deposit Renewed
Within Ten Days after Maturity.

Dear Sir:

There is inclosed herewith a copy of a letter to the Assistant Federal Reserve Agent at Chicago relating to the payment after maturity of interest on a time certificate of deposit which has been renewed within ten days after maturity.

It will be appreciated if you will bring the substance of this letter to the attention of all of the member banks in your district.

Very truly yours,

Chester Morrill

Chester Morrill,
Secretary.

Inclosure.

TO ALL FEDERAL RESERVE AGENTS EXCEPT CHICAGO AND
MINNEAPOLIS.

X-9545-a

April 13, 1936.

Mr. C. S. Young,
Assistant Federal Reserve Agent,
Federal Reserve Bank of Chicago,
Chicago, Illinois.

Dear Mr. Young:

This refers to the letter of March 13, 1936, from Mr. Stevens, regarding the difference between section 3(f) of Regulation Q and section 3(e) of Regulation IV of the Federal Deposit Insurance Corporation, relating to the payment of interest after maturity on deposits which are renewed within ten days after maturity.

The terms of Regulation Q do not contain a provision for the payment by a member bank of interest on a time deposit between the date of maturity of the certificate representing such deposit and the date of the renewal of such certificate even though such renewal certificate is dated back to the date of the maturity of the original certificate.

However, after considering all of the attendant circumstances, the Board has decided that it will offer no objection to the payment by a member bank of interest on a time deposit at a rate not exceeding the applicable maximum rate prescribed in Regulation Q for the period between the maturity date of the certificate representing such deposit and the date of renewal thereof, provided such certificate is renewed within ten days after maturity

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and the renewal certificate is dated back to the date of maturity of the original certificate.

It will be appreciated if you will bring the substance of this letter to the attention of all of the member banks in your district.

Very truly yours,

(Signed) Chester Morrill

Chester Morrill,
Secretary.