

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON



ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

February 8, 1938.

SUBJECT: Annual Review of Capital Position of  
State Member Banks Subject to Condi-  
tion of Membership Regarding Main-  
tenance of Adequate Capital Structure.

Dear Sir:

The question has been raised in connection with the annual review of the capital position of State member banks referred to in the Board's letter X-9506, dated February 28, 1936, whether the ratio of capital to deposits, so far as demand deposits are concerned, should be based upon gross demand deposits or net demand deposits as defined in Regulation D.

For the purpose of the review, it is requested that the capital ratio be based upon total deposits; i.e., the total of time deposits and gross demand deposits, as defined in Regulation D.

Very truly yours,

A handwritten signature in dark ink, appearing to read "L. P. Bethea", written over a horizontal line.

L. P. Bethea,  
Assistant Secretary.

TO PRESIDENTS OF ALL FEDERAL RESERVE BANKS.