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BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

STATEMENT FOR THE PRESS

For release in morning papers
of Monday, August 21, 1939.

August 19, 1939.

The Board of Governors of the Federal Reserve System announced today that the Federal Reserve banks will put into effect on September 1, 1939 certain changes in their check collection procedure designed to give member banks more prompt credit for checks deposited with the Federal Reserve banks for collection and to reduce the amount of work required in preparing the checks for deposit with the Federal Reserve banks.

Heretofore member banks have been given credit for checks deposited with the Federal Reserve banks in accordance with time schedules which were based on the actual time required to collect the checks. After September 1 the Federal Reserve banks will credit member banks within three days or less for all checks deposited with them for collection. Immediate credit or credit within one or two days will continue to be given for most checks.

The Board's Regulation J relating to the clearance and collection of checks and the check collection circulars and time schedules of the Federal Reserve banks have been revised. Copies are being sent by the Federal Reserve banks to all member banks and to all other banks which maintain deposit accounts with the Federal Reserve banks.