

# FEDERAL RESERVE statistical release



H.5

Note to Users

March 17, 1980

The format and content of the H.5 Statistical Release have been changed. Effective with the release dated March 13, 1980 (attached), the H.5 reports daily average borrowings in immediately available funds of 121 large member banks, disaggregated by lender and term to maturity. Previously reported data from 46 large banks have been discontinued.

Immediately available funds are those that borrowing banks receive the same day the transfer of these funds is initiated. Unsecured borrowings in immediately available funds--federal funds--are acquired mainly from commercial banks and, to a lesser extent, from other depository institutions and Federal agencies. Other borrowings in immediately available funds are principally sales of U.S. Treasury and federal agency obligations under an agreement to repurchase--security repurchase agreements (RPs)--and are obtained from a much wider range of customers, including nonbank securities dealers, nonfinancial corporations and state and local governments. There is also a small amount of borrowing in immediately available funds in the form of promissory notes, repurchase agreements involving other assets, due bills, and certain other obligations.

Borrowings of immediately available funds may have a specified term to maturity--as short as one business day--or may be made under continuing contract. Transactions under continuing contract remain in effect until terminated, without any requirement of prior notice by either borrower or lender. The release provides information on two maturity categories: one day plus continuing contract borrowings and those with all other maturities.

The market for immediately available funds originated as member banks sought to adjust reserve positions among themselves by lending and borrowing reserves held at Federal Reserve banks. Participation in this market was broadened in the mid-1960s and early 1970s as member bank borrowing from nonmember commercial banks and certain other institutions--including savings and loan associations, mutual savings banks, and U.S. Government agencies--was sanctioned by regulatory policy. Also, in the late 1960s regulations were adopted specifying that funds borrowed through repurchase agreements were exempt from reserve requirements and interest rate ceilings only when secured by U.S. Government and agency obligations (except when obtained from certain customers consisting mainly of commercial banks, savings and loan associations, mutual savings banks and federal agencies).<sup>1/</sup>

In recent years, large banks have come to rely heavily on federal funds and RP borrowing as a source of managed liabilities as well as for adjusting reserve positions. Federal funds and RPs, along with Eurodollar borrowings and issuance of certificates of deposit, have allowed large banks to finance credit expansion when inflows of core deposits--demand, savings and small time deposits--were inadequate.

The release provides data on borrowing from four different groups: commercial banks in the U.S.; other depository institutions, foreign banks and official institutions, and U.S. government agencies; nonbank securities

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<sup>1/</sup> The nonreservable status of certain federal funds and RP borrowings recently has been amended. Since late October 1979 member banks have been required to hold reserves against the sum of their managed liabilities in excess of a base amount. These liabilities are defined to include large time deposits (issued in denominations of \$100,000 and above and having original maturities of under a year), Eurodollar borrowings, and federal funds and RP borrowings with maturities of less than one year from customers other than member banks, Edge Act corporations, and U.S. branches and agencies of foreign banks.

dealers; and all other. The release also provides information on loans made by large member banks employing one day and continuing contract federal funds and RPs to commercial banks in the U.S. and to nonbank securities dealers.

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H.5 (507)

MARCH 17, 1980

## SELECTED BORROWINGS IN IMMEDIATELY AVAILABLE FUNDS OF LARGE MEMBER BANKS<sup>1</sup>

Week ended: MARCH 5, 1980  
In millions of dollars

	One day and continuing contract	All other maturities	Total
<b>Federal funds and repurchase agreement borrowings, by source</b>			
Commercial banks in U.S.	45,907	5,348	51,255
Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies	11,126	6,328	17,453
Nonbank securities dealers	1,754	2,168	3,922
All other	15,409	10,368	25,777
<b>MEMO</b>			
<b>Federal funds and resale agreement loans in maturities of one day or continuing contract</b>			
Commercial banks in U.S.			14,122
Nonbank securities dealers			2,017

NOTE: Averages of daily figures

<sup>1</sup> Banks with assets of \$1 billion or more as of December 31, 1977.