

DATE: November 9, 2004

SUBJECT: Amendments to Regulation D, Reserve Requirements of Depository Institutions

HIGHLIGHTS: The Federal Reserve Board has amended Regulation D by:

- Increasing the amount of net transaction accounts to which the lowest reserve requirement (3 percent) will apply from \$45.4 million to \$47.6 million.
- Increasing the amount of reservable liabilities subject to a zero percentage reserve requirement from \$6.6 million to \$7.0 million.

These changes are effective with the maintenance periods beginning December 23, 2004, for weekly reporters of FR 2900 data, and January 20, 2005, for quarterly reporters.

In addition, the Board increased the nonexempt deposit cutoff level and the reduced reporting limit that are used to determine the frequency of deposit reporting. The Federal Register notice contains a description of the new boundaries for deposit reporting that will be effective September 2005.

DOCUMENT LOCATION: The Federal Register Document dated October 6, 2004 is available under the "Press Releases" section of the Board of Governors web site, as follows:
<http://www.federalreserve.gov/boarddocs/press/bcreg/2004/20041006/default.htm>

FURTHER INFORMATION: Hillary Debenport, Assistant Vice President, 1-800-333-0810, ext. 44-8488
Statistics, Credit and Payment Risk Management Department