

Federal Reserve Bank of San Francisco  
101 Market Street, San Francisco, California 94105

April 20, 2007

**BANKING SUPERVISION AND REGULATION:  
REGULATION D FINAL RULE**

To State Member Banks, Bank  
Holding Companies, U.S. Branches  
and Agencies of Foreign Banks,  
and Others Concerned,  
in the Twelfth Federal Reserve District

**Reserve Requirements of Depository Institutions Final Rule**

The Federal Reserve Board announced final revisions to its 1980 interpretation of Regulation D (Reserve Requirements of Depository Institutions), which sets forth criteria for the "bankers' bank" exemption from reserve requirements. The revisions authorize the Board to determine, on a case by case basis, whether certain entities not already expressly authorized in the interpretation may become customers of bankers' banks to a limited extent.

A bankers' bank is an institution that is organized solely to do business with other financial institutions, is owned primarily by the financial institutions with which it does business, and does not do business with the general public.

The docket is attached. Comments are requested by May 7, 2007.

**Additional Information**

All circulars and documents are available on the internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking/letters>.

For additional information, please contact our Banking Supervision and Regulation Department at (415) 974-3315.

FEDERAL RESERVE BANK OF SAN FRANCISCO

Attachment: [Docket No. R-1262](#)