

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20510

SECURITIES ACT OF 1933
RELEASE NO.

SECURITIES EXCHANGE ACT OF 1934
RELEASE NO.

INVESTMENT COMPANY ACT
RELEASE NO.

ACCOUNTING SERIES RELEASE NO.

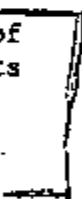
INTERPRETATIVE STATEMENT BY THE COMMISSION ON DISCLOSURE BY REGISTRANTS OF
HOLDINGS OF SECURITIES OF NEW YORK CITY, NEW YORK STATE AND AGENCIES OR
PUBLIC INSTRUMENTALITIES THEREOF.

The Commission has noted the publicity given to the financial problems of the City of New York, the State of New York and agencies or public instrumentalities thereof and to the effect that such problems might have on the financial condition of many banks and others reported to be holding securities issued by the City, the State or agencies or public instrumentalities thereof. At present, investors have little information as to the extent or income effect of individual registrant's holdings of these securities; such information would assist investors in appraising the effects on income and business of various possible outcomes of the New York situation. In light of this, the Commission has determined to publish its views relating to the disclosure of holdings of securities of New York City, New York State or New York agency or public instrumentalities.

The Commission believes that registrants which hold an aggregate principal amount of securities issued by the City of New York, the State of New York and agencies or public instrumentalities thereof, which represents more than 5% of total net income of the registrant for the latest fiscal year or more than 5% of registrant's shareholders' equity should disclose those holdings in registration statements and annual reports on Form 10-K filed with the Commission. 1/ Disclosure should include the following information separately for each category (State, City, agency, public instrumentality) of securities, and should be given in each case at the end of the most recent annual reporting period and any subsequent interim period reported on:

- (1) the aggregate principal amount of such securities held;
- (2) the weighted average interest rate (based on the principal amount) on the debt held;

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- (3) the amount of revenue included in statements of income resulting from holdings of such securities remaining in the portfolio at the end of each period; and
- (4) the cumulative amount of any write down of any such securities held and the amount of such write down included in the income of each period.

Because financial problems such as those of New York, do not appear to be limited to New York, the Commission is at this time also proposing an amendment to Rule 3-16 of Regulation S-X which would require information about certain securities holdings to be submitted by all registrants as a footnote to their financial statements (See Securities Act Release No. 1975).

By the Commission.

George A. Fitzsimons
Secretary

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1/ See Rule 408 under the Securities Act of 1933 and Rule 12b-20 under the Securities Exchange Act of 1934.