



FEDERAL RESERVE BANK  
OF DALLAS

DALLAS, TEXAS, March 18, 1920.

Direct Routing of Maturing Non-Cash Items by Member Banks to Other Federal Reserve Banks, for Collection and Credit on our Books to the Account of the Sending Member Bank.

TO THE MEMBER BANK ADDRESSED:

Effectively immediately the following facility may be obtained by member banks for the collection of maturing non-cash collection items of an emergency nature, which are drawn upon firms, individuals or corporations, other than member banks, located in other Federal Reserve Districts.

Under authority from the Federal Reserve Board granted on February 17th, any member bank may, upon application to the Federal Reserve Bank of Dallas, obtain permission to forward direct to any other Federal Reserve Bank (except the Federal Reserve Bank of Atlanta or its branches) maturing non-cash collection items, with instructions to place the proceeds, when collected, with the Federal Reserve Bank of Dallas for the credit of the sending member bank.

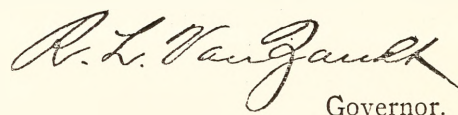
For the present, the granting of such permission by the Federal Reserve Bank of Dallas will be limited to applications covering the sending of bill-of-lading drafts, or such other documentary drafts as must be presented for payment at an earlier date than would be practicable if routed through our office, in order to satisfactorily complete the transaction upon which the item is based. We hope at a later date to be able to further extend this facility to embrace emergency collection items of a general nature.

Member banks requesting this privilege should advise us whether a permit is desired covering sendings to any particular Federal Reserve Bank or branch, or whether authority is desired to forward such items to all other Federal Reserve Banks and branches (except the Federal Reserve Bank of Atlanta and its branches). Upon receipt of the application we will advise the other Federal Reserve Bank (or Banks) to which such collections are to be sent, of our action in granting the permit. No such collections may be forwarded by any member bank direct to another Federal Reserve Bank or branch, unless and until permission has been requested and obtained, as the other Federal Reserve Banks will not act as collecting agents unless specific authority for such action has been received by them from us. Those of our member banks located in the territory allotted to either the El Paso or Houston Branches may forward applications for permits through the branch bank, but the authority desired must, in all cases, be obtained from the head office. A duplicate of the advice, accompanying collections forwarded direct under this privilege, should be sent to the Federal Reserve Bank of Dallas, or to the branch bank of which the sending bank is a member. This advice will be held by us pending receipt of report from the collecting Federal Reserve Bank, as to the final disposition of the forwarded item or items.

Maturing non-cash collection items drawn on persons, firms or corporations, other than member banks, located in the District served by the Federal Reserve Bank of Atlanta or its branch banks, must be routed direct to us for collection in the usual manner, as it has been so far, impossible to make the above described arrangements with the Federal Reserve Bank of Atlanta or its branches.

All the Federal Reserve Banks, with the above exception, have signified to us their entire willingness to handle such items for our member banks, and it is our desire to place this additional facility at the disposal of our membership as fully as possible. However, such sendings should be limited to items of a strictly emergency nature, as we believe that the exercise of reasonable diligence on the part of our members will enable them to handle maturing non-cash collections through our own office with entire satisfaction.

Respectfully,

  
Governor.