

**FEDERAL RESERVE BANK
OF DALLAS**

Dallas, Texas, November 27, 1963

“CHANGED” CHECKS

**To All Banks in the
Eleventh Federal Reserve District:**

With the growth in volume of checks bearing the MICR transit number in magnetic ink, an increasing problem is being encountered in high-speed processing and collection of checks because of “changed” checks.

“Changed” checks are those on which the maker crosses out the name of the drawee bank printed on the check and writes in the name of another drawee bank. Since the maker ordinarily does nothing to nullify the magnetic ink imprinting, the check, when processed electronically, is routed to the bank originally imprinted rather than the intended drawee bank. This misrouting causes a delay in presentation of the checks to the proper bank and a corresponding delay in the return of unpaid checks to endorsers. Where checks are being processed electronically in commercial banks, “changed” checks may also be charged to the wrong account which will not become evident until the customers reconcile their bank statements.

If “changed” checks are deposited in your bank, it would be of material assistance in the subsequent handling of the items if you would negate the magnetic ink by punching out the three small marks (start symbol) at the right of the MICR transit number.

It would be helpful if commercial banks, recognizing the imperative need of eliminating “changed” checks from check collection channels, would inform their customers of the dangers inherent in the practice and suggest that they carry a supply of their own checks for use when need arises.

Your cooperation in the MICR program is appreciated.

Yours very truly,

Watrous H. Irons

President