

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 80-145
August 4, 1980

SYSTEMWIDE IMPLEMENTATION OF AUTOMATIC CHARGE OF CASH PROCESSING FOR MATURED CORPORATE AND MUNICIPAL COUPONS

TO ALL BANKS IN THE
ELEVENTH FEDERAL RESERVE DISTRICT:

On October 9, 1979, the Federal Reserve System implemented a new procedure for collecting the proceeds of matured corporate and municipal coupons. Under this procedure, the collection of matured corporate and municipal coupons is handled on a Cash Processing basis. The key concept in Cash Processing for coupons is bulk processing instead of individual handling and provisional credit passed on an automatic, preset time schedule.

The next step in the Cash Processing of corporate and municipal coupons is to implement automatic charges effective October 1, 1980. Terms of the new automatic charge procedure are detailed in the agreement forms enclosed and a revised copy of Bulletin 9, reflecting the changes in procedures will be forwarded to your bank in the near future.

We request that each paying agent return a completed agreement form Coll.-187 or Coll.-188 by September 2, 1980. All agreement forms should be returned to the Reserve office that services your account. Those agents who complete the agreement on form Coll.-188 should send the form through their member bank correspondent. You will be sent a notice of acceptance of the agreement.

Please note that after October 1, we will no longer process coupons payable by an agent who has not submitted on automatic charge agreement to us.

Any comments, inquiries, or questions concerning the automatic charge agreement should be directed to the following persons:

Dallas Office	Donald E. Curtis	Ext. 6179	
	Lola S. Martin	Ext. 6379	
El Paso Branch	Jerry Silvey	915-544-4730	Ext. 265
	Vicky Acuna	915-544-4730	Ext. 268
Houston Branch	James Balcar	713-659-4433	Ext. 75
	Dorothy Boaz	713-659-4433	Ext. 76
San Antonio Branch	Tony Valencia	512-224-2141	Ext. 416
	Herb Barbee	512-224-2141	Ext. 455

Banks and others are encouraged to use the following incoming WATS numbers in contacting this Bank: 1-800-442-7140 (intrastate) and 1-800-527-9200 (interstate). For calls placed locally, please use 651 plus the extension referred to above.

Additional copies of this circular may be obtained by calling
Lola Martin at this office.

Sincerely yours,

Robert H. Boykin

First Vice President

Enclosures

**Nonmember Bank
Automatic Charge Authorization-Agreement
For Payment For Coupons And Other Securities**

TO: Federal Reserve Bank (or Branch)

_____, Texas

In order to effect payment for coupons and other securities contained in the standard Coupon Collection Letter and not to be presented with special payment instructions, the undersigned Paying Agent Bank and Correspondent Bank agree with the Federal Reserve Bank of Dallas (or its Branch) (hereinafter "Reserve Bank") and each other as follows:

1. The Paying Agent Bank hereby requests and authorizes the Correspondent Bank, a Member Bank in the Federal Reserve System, to authorize, and the Correspondent hereby authorizes the Reserve Bank to charge the Correspondent's reserve account for the gross amount of coupons and other securities presented or sent by the Reserve Bank to the Paying Agent Bank for payment, all in accordance with the provisions of the Reserve Bank's relevant Bulletins, or on the settlement date determined as follows: for coupons and other securities sent and presented to Paying Agent Bank by messenger, on the later of (1) the banking day following the banking day the coupons or other securities are presented to the Paying Agent Bank or (2) the banking day following the maturity date of the coupons or other securities; for coupons and other securities delivered by mail, on the later of (a) the third banking following the banking day that the coupons or other securities were mailed or (b) the banking day following the maturity date of the coupons or other securities.

Should changes in actual presentment times be altered as a result of delivery schedules, Paying Agent Bank will notify Reserve Bank, to establish an adjusted settlement date, and those coupons and other securities will be handled as coupons or other securities presented with special instructions, which must be paid in accordance with the instructions.

2. The Paying Agent Bank also requests and authorizes the Correspondent Bank to authorize, and the Correspondent Bank authorizes the Reserve Bank to debit or credit the Correspondent's reserve account as may be appropriate for amounts of differences and adjustments due to returns, errors, or other causes.

3. The Correspondent Bank agrees to maintain in its reserve account a balance of actually and finally collected funds to cover all debits to such account for such coupons and securities due for payment from time to time. In the event that any charges cannot be accepted by the Correspondent Bank, the Correspondent Bank will promptly notify the Reserve Bank. After receipt of such notice the Reserve Bank will not charge the Correspondent's reserve account for the amount of any such charges.

4. It is understood and agreed that the Reserve Bank assumes no responsibility for any obligations of the Paying Agent Bank to the Correspondent which may arise out of charges to the Correspondent's reserve account pursuant to this agreement.

5. This agreement is to become effective on _____ and may be terminated by any party upon five (5) days advance written notice given to the other parties, and this agreement after such date will be of no effect except as to transactions already completed or in process.

Name of Correspondent Bank

Name of Paying Agent Bank

Address

Address

City, State, Zip Code

City, State, Zip Code

By _____
Signature and Title of Officer

By _____
Signature and Title of Officer

ACCEPTED by Federal Reserve Bank

By _____
Signature and Title of Officer

Date of Acceptance

**Member Bank
Automatic Charge Authorization-Agreement
For Payment For Coupons And Other Securities**

TO: Federal Reserve Bank (or Branch)

_____, Texas

In order to effect payment for coupons and other securities contained in the standard Coupon Collection Letter and not to be presented with special payment instructions, the undersigned Paying Agent Bank agrees with the Federal Reserve Bank of Dallas (or its Branch) (hereinafter "Reserve Bank") as follows:

1. The Paying Agent Bank hereby requests and authorizes the Reserve Bank to charge the Paying Agent Bank's reserve account for the gross amount of coupons and other securities presented or sent by the Reserve Bank to the Paying Agent Bank for payment, all in accordance with the provisions of the Reserve Bank's relevant Bulletins, or on the settlement date determined as follows: for coupons and other securities sent and presented to Paying Agent Bank by messenger, on the later of (1) the banking day following the banking day the coupons or other securities are presented to the Paying Agent Bank or (2) the banking day following the maturity date of the coupons or other securities; for coupons and other securities delivered by mail, on the later of (a) the third banking day following the banking day that the coupons or other securities were mailed or (b) the banking day following the maturity date of the coupons or other securities.

Should changes in actual presentment times be altered as a result of delivery schedules, Paying Agent Bank will notify Reserve Bank, to establish an adjusted settlement date, and those coupons and other securities will be handled as coupons or other securities presented with special instructions, which must be paid in accordance with the instructions.

2. The Paying Agent Bank also requests and authorizes the Reserve Bank to debit or credit the Paying Agent Bank's reserve account as may be appropriate for amounts of differences and adjustments due to returns, errors, or other causes.

3. The Paying Agent Bank agrees to maintain in its reserve account a balance of actually and finally collected funds to cover all debits to such account for such coupons and securities due for payment from time to time. In the event that any charges cannot be accepted by the Paying Agent Bank, the Paying Agent Bank will promptly notify the Reserve Bank. After receipt of such notice the Reserve Bank will not charge the Paying Agent Bank's reserve account for the amount of any such charges.

4. This agreement is to become effective on _____ and may be terminated by either party upon five (5) days advance written notice given to the other, and this agreement after such date will be of no effect except as to transactions already completed or in process.

Name of Paying Agent Bank

Address

City, State, Zip Code

By _____
Signature and Title of Officer

ACCEPTED by Federal Reserve Bank

By _____
Signature and Title of Officer

Date of Acceptance