

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 80-191
October 9, 1980

FEDERAL RESERVE SERVICES

TO THE CHIEF EXECUTIVE OFFICER
OF THE INSTITUTION ADDRESSED IN
THE ELEVENTH FEDERAL RESERVE DISTRICT:

The Depository Institutions Deregulation and Monetary Control Act of 1980 entitles any depository institution that holds transaction accounts or nonpersonal time deposits to the same discount and borrowing privileges that are allowed Federal Reserve member banks, and the Act also calls on the Federal Reserve System to price many of its services and provide any depository institution access to them. These include check collection and automated clearinghouse (ACH) services; transportation of currency and coin; wire transfers of funds; net settlement; the purchase, sale, safekeeping, and transfer of securities; and noncash collection. Access to these services will be made available concurrently with pricing, and the System will begin pricing some services as early as January, 1981.

Printed on the following pages are brief descriptions of these services and the proposed schedule of prices, along with other services that will not be priced, some of which the System performs as an agent of the United States Government. For additional information on any of the services described, please call your Federal Reserve Office at the number listed in the booklet and ask for information regarding the specific services that interest you.

Enclosed is a questionnaire to gather information on your institution's intended use of Federal Reserve services once pricing is implemented. Please note, however, that open access to the discount window is already in effect and this service will not be affected by pricing. Your best answers to these questions will enable your Federal Reserve Office to prepare to give you timely service; note that the volumes and other information requested will be used only for planning purposes and your best estimates will suffice in the absence of precise numbers. Please complete the entire questionnaire and return it in the enclosed post-paid envelope by October 24, 1980. Your cooperation will assist in completing a smooth transition to the new environment of open access and pricing.

Sincerely yours,

Robert H. Boykin

First Vice President

Enclosures (2)

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.

THE FEDERAL RESERVE SYSTEM AND THE ELEVENTH DISTRICT

The Federal Reserve System is a nationwide network of 12 District Banks with a total of 25 additional branches. At the hub of this network is the Board of Governors in Washington, D.C.

The seven Governors are appointed by the President of the United States and approved by the Senate for 14-year terms, which are staggered so that one term expires every two years. Congress set these terms to enable the System to act independently within the framework of national goals and objectives.

Congress also kept the System's financial support out of the political arena; earnings from Federal Reserve Banks' holdings of U. S. Government securities are more than enough to cover operating costs. At the end of every year, the System transfers the excess earnings to the Treasury Department. Because of this method of funding and because each District Bank is separately incorporated, the Banks are called quasi-governmental institutions.

The Board of Governors has general responsibility for coordinating the System. The District Banks and their branches carry out the operations of the Federal Reserve System. They work with the Board of Governors to set monetary policy, which involves the regulation of the supply of money and credit in the nation so as to achieve stable prices, full employment, and balanced economic growth. Steady development of the nation's resources and a rising standard of living for its citizens are dependent on the presence of an efficient means of payment, another Federal Reserve responsibility.

The Head Office of the Eleventh Federal Reserve District is located in Dallas. This office directly provides services to the northern half of Texas and parts of Oklahoma and Louisiana, while each of the three Branch

Offices located in El Paso, Houston, and San Antonio serve the remaining portions of the District as illustrated by the map on the next page.

This booklet describes services provided Eleventh District depository institutions by the Federal Reserve Bank of Dallas and its Branch Offices. The Board of Governors of the Federal Reserve System has published its final Regulation A concerning the loan service of Federal Reserve Banks (described first below). The Board has also published for comment the following schedule for opening access to and implementing pricing of other Federal Reserve services:

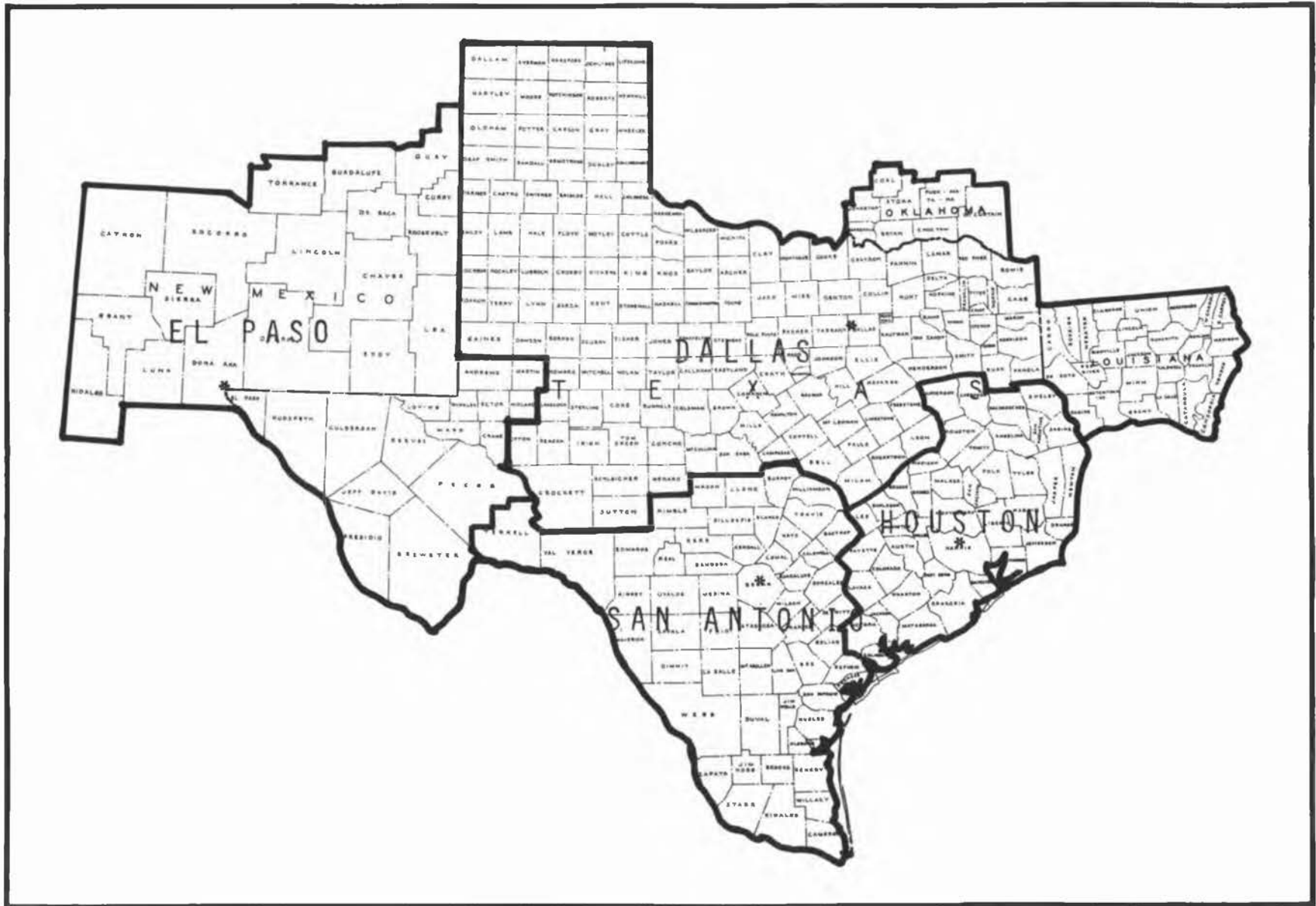
| <u>Service</u> | <u>Access and Pricing</u> |
|--|---------------------------|
| Wire Transfer of Funds | January 1981 |
| Net Settlement | January 1981 |
| Check Clearing and Collection | April 1981 |
| Automated Clearinghouse (ACH) | April 1981 |
| Currency and Coin | July 1981 |
| Purchase, Sale, Safekeeping, and Transfer of Securities | October 1981 |
| Noncash Collection | October 1981 |

For answers to questions beyond the scope of this booklet, the telephone numbers and addresses listed on the last page may be used. It is suggested that for questions concerning specific services, the District office serving your institution's location should be contacted.

DISCOUNT WINDOW (LOANS)

The Monetary Control Act of 1980 provides that any depository institution that holds transaction accounts or nonpersonal time deposits shall be entitled to the same discount and borrowing privileges as member banks.

Regulation A provides that Federal Reserve credit may be offered under two basic programs -- adjustment and extended. Nonmember depository institutions that are eligible to borrow from the Federal Reserve would, like member banks, be expected to rely on other reasonably available sources of



Eleventh Federal Reserve District

funds before turning to the discount window for assistance. Consequently, institutions that have access to credit programs provided by Federal Home Loan Banks, credit union centrals, or the Central Liquidity Facility of the National Credit Union Administration would be expected to seek assistance from these sources prior to requesting credit from the Federal Reserve.

Short-term adjustment credit is available to assist depository institutions in meeting temporary requirements for funds, or to cushion more persistent fund outflows pending an orderly adjustment of the institution's assets and liabilities. Borrowing is not appropriate solely to take advantage of a favorable spread between the discount rate and other market rates or to add to investment portfolios. Interest on adjustment credit would generally be at the basic discount rate. However, the Federal Reserve would retain the option to impose a surcharge in addition to the basic rate.

Extended credit in the form of seasonal credit is available to smaller institutions that lack ready access to national money markets or to special industry lenders. In determining eligibility for seasonal credit, the discount officers give weight not only to the depository institution's historical record of seasonally adjusted loan and deposit performance, but also take account of evidence with regard to changing patterns of recent and prospective needs for funds and liquidity conditions at the institution.

Extended credit is also available to meet the needs of a depository institution experiencing severe difficulties unique to that institution. These would include sustained deposit drains, impaired access to money market funds, or sudden deterioration in loan repayment performance.

In addition, extended credit is available to accommodate the needs of depository institutions, including those with longer term asset portfolios, that may be experiencing difficulties adjusting to changing money market conditions over a longer period, particularly at times of deposit disintermediation.

Advances made under the seasonal credit program would be at the basic discount rate; as with adjustment credit, however, the Federal Reserve

would reserve the option to apply a surcharge above the basic rate. The rate applicable to other extended credit may be above the basic rate, though the applicable rate would, of course, depend on market conditions at the time.

All advances must be secured to the satisfaction of the Reserve Bank. Satisfactory collateral generally includes United States government and Federal agency securities, and, if of acceptable credit quality, mortgage loans covering 1-4 family residences, municipal securities, and customer notes.

Prior to borrowing from the Federal Reserve, a depository institution must execute and have on file at the Reserve Bank two documents. The first is a certified copy of a resolution adopted by the depository institution's board authorizing designated officers to borrow and pledge collateral. The second is a Continuing Lending Agreement which can be executed by an officer authorized to borrow.

CHECK COLLECTION

One of the original purposes of the Federal Reserve System was to provide an efficient nationwide payments mechanism; this is still a major task. The bulk of the payments mechanism today still consists of the clearing and collection of checks (including Treasury checks and Postal Money Orders), NOW account items, and credit union share drafts.¹ The Federal Reserve has made a major investment in establishing Regional Check Processing Centers (RCPCs) in or near the largest cities of the nation, in order to ensure the rapid clearing of all checks and a concurrent reduction in float--responsibilities that have been specifically mandated by Congress.

¹For simplicity, all these various types of payment instruments will be referred to as "checks" or "cash items".

The public's use of checks and the payments mechanism has increased dramatically in recent years: over 15 billion checks totaling over \$8 trillion were processed by the Federal Reserve System in 1979. To meet this increased use, the System has been a leader in encouraging more sophisticated technology and methods that reduce the time required to process checks. The result is that financial institutions can choose from among a number of check clearing services offered by the Federal Reserve.

For example, if an institution has less than 5,000 items to be cleared each day, that institution may send to the Federal Reserve each day all its checks or cash items for clearing in one group or "cash letter". This is known as the "mixed" or "unsorted cash letter" option. An institution with larger volume must sort its cash items by deposit type -- depending on whether the items are (1) drawn on local ("city") institutions, (2) drawn on institutions in RCPC zones, (3) drawn on "country" institutions, (4) drawn on institutions in other Reserve Bank territories,² (5) Treasury checks, or (6) Postal Money Orders. In addition, there are the group sort and package sort options, requiring additional item processing prior to deposit. Credit for cash letters deposited will be applied either to the institution's account at the Federal Reserve or to a correspondent's account. Specific deposit deadlines and credit availability schedules by type of item can be obtained from your Federal Reserve Office.

The Federal Reserve offices also "present" checks payable at a financial institution. The Reserve office will prepare and deliver cash letters daily to an institution containing items drawn on that institution. However, an institution may decide to have its cash letters delivered to a correspondent bank or central processing facility; in that case, the local Federal Reserve Bank must be notified so that special arrangements can be

²In the Dallas, Houston, and San Antonio territories, interterritory items may be sorted by deposit type and destination Reserve Office to qualify for the "consolidated" option, thereby avoiding processing at one Federal Reserve office and using the Federal Reserve's interdistrict transportation system. An institution may also arrange to send items for collection directly to Federal Reserve offices in other territories, thereby incurring only the local processing charge at the receiving Federal Reserve office.

made. As a further service, a financial institution may choose to have the amount of its Federal Reserve cash letters debited from its account at the Reserve Bank or from its correspondent's account.

Federal Reserve cash letters are normally delivered each day; if they are not received on that basis, the Federal Reserve Bank's Adjustments division should be notified. Occasionally, there may be errors in the cash letters, due to missing checks, extra checks, incorrect amounts listed, etc. Such errors should be reported on the appropriate form to the Reserve Bank for immediate adjustment.

Some cash items cannot be processed because the account against which the check has been drawn has been closed, payment has been stopped, or there are insufficient funds in the account. A "return" cash letter containing such items should be sent each day to the Federal Reserve. Special telephone notice is required for return items of large dollar amounts. In turn, the Federal Reserve notifies financial institutions by phone about any large items endorsed but returned unpaid, and sends a daily return cash letter covering all unpaid endorsed items.

While each financial institution is responsible for amount-encoding its cash items and arranging and paying for the shipment of checks to the Federal Reserve, the proposed check prices in the Appendix include charges for the transportation and presentment of items to the paying institution. Note that there will be no fee attached to the deposit of Treasury checks or Postal Money Orders deposited separately, i.e., in separate cash letters containing no commercial checks, and no separate charge will be made for return items.

Local Federal Reserve offices will gladly answer any questions about check services.

ACH

In an effort to increase the efficiency of America's payments mechanism, the Federal Reserve has played a major role in the development and operation of the nationwide Automated Clearinghouse (ACH) network. Most simply, an ACH provides a vehicle for exchange of paperless debit and credit entries between financial institutions. The debit and credit entries include such items as government, insurance, and utility company payments; depository transfer transactions; payroll, pension, and stock dividend deposits; etc. In 1979, over 176 million "paperless entries" were processed by ACHs operated by the Federal Reserve System.

Current Federal Reserve policy allows any depository institution--bank, savings and loan, credit union, and mutual savings bank--to originate (send) ACH items to the Reserve Bank as long as the institution is a member of its local ACH association. (All member banks of the Federal Reserve System are eligible for originator status if the proper agreements have been signed.) The transactions must be presented on magnetic tape or transmitted to the Reserve Bank via electronic communications. Each file of transactions presented must be accompanied by an entry control register from an authorized individual at the originating institution in order to supply necessary control totals.

The items deposited will be given availability according to the effective date specified on the file if that date falls within the Reserve Bank's deposit schedule.

Settlement for all items deposited is directed to the originating institution's account at the Reserve Bank or to the account of a designated correspondent. The Reserve Bank will charge fees to an originating institution directly (according to the proposed schedule in the Appendix) if the originator is not a member of an ACH association; members of ACH associations will be given the option of being billed directly or through their ACH association.

Any bank or thrift institution may receive commercial ACH items from its local Federal Reserve Bank. Settlement for all items directed to a receiving financial institution is accomplished through that institution's account with the Reserve Bank or through a correspondent's account. Any financial institution that has signed an agreement may receive government ACH payments from the Federal Reserve Bank. The Reserve Bank will not charge any financial institutions any fees for Government electronic payments.

Reserve Banks can provide entries on paper listings, on magnetic tapes, or by electronic transmission, as designated by the receiving financial institution. The items may be delivered directly to the receiving institution or to a processing center specified by the financial institution. Control information is provided by the Reserve Bank by means of a call or listing that indicates the number and dollar amount of entries being sent.

When posting ACH items to customers' accounts, the receiving financial institution occasionally encounters entries for closed accounts, for accounts with insufficient funds, etc. These items should be returned on paper to the local Federal Reserve office in the format specified by the Operating Rules of the National Automated Clearinghouse Association. If automated capability exists, such returns can be transmitted in electronic form as defined in the Operating Rules. Upon receipt at the Federal Reserve, proper settlement entries are made for the total of return items.

Return items received at a Federal Reserve office are sorted and returned to the originating institution for resolution. Items received in electronic form at the Reserve Bank may be returned on electronic media if desired by the originator. Otherwise, items are returned on paper. Appropriate settlement entries are made by the Federal Reserve office for items returned to the originator.

The sending institution is responsible for arrangement and payment for all transportation of ACH tape files sent to the Federal Reserve office for processing. The Federal Reserve office is responsible for transportation

of ACH paper and tape files sent to the receiving financial institution. The receiver is responsible for arrangement and payment for the transportation of processed magnetic tape files returned to the Reserve Bank.

WIRE TRANSFER OF FUNDS

This service results in the movement of money from the account of one financial institution to the account of another institution at the same Reserve Office, or another Reserve Office through a private telegraphic wire network (commonly called Fed wire) controlled by the Federal Reserve System. After a financial institution issues instructions to its Federal Reserve Bank (either on-line³ or via telephone), the funds are dispatched to destination institutions in a matter of minutes.

Closing hours for the acceptance of requests to make telegraphic transfers of funds for consummation on the day of receipt are 2:00 p.m. for transfers to Eastern banks and 3:00 p.m. for all other banks. Closing hours for the El Paso Office are one hour earlier. These closing times apply to both on-line and off-line banks.

Requesting (sending) institutions are charged for the dollar value of transfers sent, and receiving institutions are credited with the dollar value of transfers received. These debits and credits and fees (proposed fees

³Some depository institutions prefer the additional benefit of going "on-line" for transfers of funds, i.e., initiating transfers and monitoring their transactions through a direct link to the Federal Reserve's private wire network. This link is accomplished through the installation of a terminal within the financial institution. Having a terminal of this type permits an institution to directly send and receive their own transfers of funds while incurring only the monthly rental cost of the terminal itself. The end result of this arrangement is faster service for the financial institution and its customers, more efficient money management by the financial institution, and lower per-transfer fees.

are described in the Appendix) to the requesting institution⁴ are posted to accounts maintained at Federal Reserve Banks through previously established arrangements.

This service can be utilized by financial institutions to provide a rapid, secure means of moving funds for their customers, to effect settlement between financial institutions, to make reserve adjustments, and for the purchase and sale of funds between financial institutions.

NET SETTLEMENT

The Federal Reserve Banks offer a service commonly referred to as net settlement, which involves effecting settlement in "finally collected" funds when a Reserve Bank is not involved in, or responsible for, processing the items that underlie the settlement. Settlement is effected through accounting transactions on Reserve Bank books in accordance with basic agreements that have been executed by all participating parties. These arrangements generally involve two or more institutions that have agreed to have a third party (frequently one of the institutions involved) create entries to be posted to all their accounts at their Reserve Bank. Examples of arrangements utilizing net settlement include local check clearinghouse and credit card associations. The basic requirement is that the entries for the group net to zero (total debits must equal total credits.).

Net settlement, as described above, is differentiated from gross settlement, which occurs when the Reserve Bank is involved in, or responsible for, processing the items that underlie the settlement. The cost of gross settlement is covered by charges resulting from the direct use of Federal Reserve services to be posted individually to the account of an institution or to the account of its correspondent.

⁴In the case that an institution places a standing order with its Federal Reserve office that the institution wishes to be advised of all incoming transfers, the listed telephone advice fee will be charged to the recipient.

Proposed charges for net settlement services, detailed in the Appendix, depend on the number of entries (participants) in each settlement and will be levied through the account of a financial institution against the agent ordering the settlement, rather than against each financial institution participating in the settlement.

CURRENCY AND COIN

A major responsibility of the Federal Reserve System is to ensure that the national economy is provided with enough cash to meet transactions needs. The System does this, under delegation from the U. S. Treasury, by putting currency and coin into circulation. The cash flows through financial institutions as they supply the needs of their customers. The distribution from the Federal Reserve is designed to be equitable and impartial, enabling all financial institutions to participate.

Federal Reserve Banks pay out new and reusable coins and Federal Reserve notes to depository institutions, and accept for credit, redemption, exchange or replacement, currency and coin that is unfit for further circulation or surplus to the needs of the institution. (Special arrangements have to be made for deposit of severely damaged U. S. coin and currency and counterfeit bills.)

General policy is for Federal Reserve Banks to pay out reusable currency and coin before uncirculated items are distributed; orders are filled in light of this policy and in accordance with inventory on hand. Orders for coin are filled without regard to mint mark, date, or whether such coin is new or old.

Your Federal Reserve Office will deliver orders of currency and coin and pick up deposits for return to the Reserve Office via armored carrier or registered mail. The mode of transportation used is influenced by the proximity of your institution to existing armored carrier routes as well as the amount of cash being shipped.

Fees will be assessed ordering and depositing institutions only for Federal Reserve-provided transportation services; therefore, cash can be picked up or deposited at your Federal Reserve Office at no charge, subject to reasonable restrictions on scheduling these pickups or deposits when financial institutions arrange their own transportation. The Appendix contains the proposed volume-related and per-stop price list for armored carrier shipments; in general, cash transportation prices vary by geographic "zone". Information is included with the price list to allow determination of the zone in which your institution is located. The charge for mail shipments will consist of actual postage expenses incurred by your Federal Reserve Office plus the listed charge per mail shipment; however, it is proposed that in no case will the total charge for a mail shipment exceed \$32 plus the total volume charge that would have been applied for over-the-road transportation.

Telephone or mail orders for currency and coin must reach your Federal Reserve Office by 2:00 p.m. two days prior to the requested delivery date.

Orders and deposits of currency are packaged in 100-note "straps" and coin is sacked loose in standard bags. Furthermore, currency can be ordered and deposited only in multiples of the following standard units:

| <u>Denomination</u> | <u>Standard Dollar Amount</u> |
|---------------------|-------------------------------|
| Ones | \$ 1,000 |
| Twos | 2,000 |
| Fives | 5,000 |
| Tens | 10,000 |
| Twenties | 20,000 |
| Fifties | 5,000 |
| Hundreds | 10,000 |

Coin must be ordered and deposited loose in bags holding the following standard amounts:

| <u>Denomination</u> | <u>Standard Dollar Amount</u> |
|---------------------|-------------------------------|
| Pennies | \$ 50 |
| Nickels | 200 |
| Dimes | 1,000 |
| Quarters | 1,000 |
| Halves | 1,000 |
| Dollars | 2,000 |

SAFEKEEPING

The Federal Reserve Bank will hold securities in safekeeping for depository institutions and will perform certain services as outlined below. These services do not relieve the owning financial institution of its duty to remain informed of maturities, call dates, and other information affecting its portfolio. Only securities which are neither assigned nor pledged and are owned by the depositing institution will be held in custody for the account, at the risk and subject only to the order, of the financial institution named as owner in the acknowledgment issued by the Federal Reserve Bank. Securities acceptable for custody include all bonds, notes, certificates of indebtedness, Treasury bills issued or guaranteed by the United States Government, and miscellaneous state, municipal, or corporate bonds. Securities not eligible for book-entry will not be held for institutions located in Federal Reserve Office cities.

Services covered by the proposed fee schedule in the Appendix include:

- ° Receive U. S. Government, State, Municipal, and Corporate securities and hold for the account of a financial institution,
- ° Provide acknowledgment of receipt to a financial institution for securities held,
- ° Enter for collection maturing coupons and securities, and
- ° Pledge securities to third parties on behalf of financial institutions.

Deposits, withdrawals, or exchanges of securities will be made only upon receipt of written instructions from an authorized employee of the financial institution. When dealing with pledged securities, the transaction must also be approved by the third party.

This safekeeping service can be a useful security measure and an efficient method of holding collateral to be pledged. Certain deposits at financial institutions, such as Treasury tax and loan balances or deposits from public officials, must be collateralized. If the collateral is maintained in a Federal Reserve Safekeeping account, the owner institution reduces the cost of transfer and shipping. In addition, if necessary, the depositing institution can expeditiously use securities in its safekeeping account as collateral for borrowing from the Federal Reserve Discount Window. No fees will be imposed for switches for TT&L collateralization or Discount Window purposes.

The form of safekeeping depends in part on the type of securities involved. For Treasury and Government Agency issues, a Federal Reserve Bank will accept only book-entry form. Any of the depositing institution's securities eligible for book-entry may be held in that form, including obligations being held for the institution's customers or trust department.

TRANSFER OF SECURITIES

The Federal Reserve Bank makes telegraphic transfers of outstanding, unmatured, marketable bearer or book-entry securities of the United States (Treasury Bonds, Notes, Certificates of Indebtedness, Bills, and certain agency securities) for the owners of such securities, over the Federal Reserve wire system. Financial institutions may access the Federal Reserve wire system directly through on-line terminals placed in the institution or off-line via a written or telephone request directing the transfer from a designated official of the institution.

Transfers may be conducted on any business day prior to the date on which the security has been called for redemption or the maturity date of the security involved. The cut-off time for telegraphic transfers of securities is 2:30 p.m. for the receiving Federal Reserve Bank.

Securities of two or more different issues may not be combined in a single transfer, nor may securities to be delivered to two or more recipients be combined in a single transfer.

The securities to be transferred must be delivered to your Federal Reserve Office before a transfer can be effected. Securities deposited for telegraphic transfer must have all unmatured coupons attached.

The originator of a transfer will be charged (according to the proposed fee schedule in the Appendix), except that off-line receivers will be assessed the surcharge for off-line receipt.

PURCHASE AND SALE OF SECURITIES

Upon request, the Federal Reserve Bank will act as agent in purchasing and selling United States Government and United States Agency securities. These services are limited to "third-party" purchases and sales and do not include investment advisory services.

The securities to be sold must be in safekeeping at your Federal Reserve Office or be delivered to the Office before an order to sell the securities can be effected.

Purchase and sales orders will be placed with recognized dealers chosen by your Reserve Office. When the face amount is more than \$25,000, competitive prices will be obtained from more than one dealer and the best price will be accepted.

Payment for such transactions are effected through the account of the requesting financial institution or another financial institution with whom a correspondent relationship exists. Proposed fees to be assessed institutions for market transactions are listed in the Appendix.

NON-CASH COLLECTION

Financial institutions that hold U. S. Government securities or securities of Federal Agencies and instrumentalities periodically have coupons coming due or issues that mature. As a service, the Federal Reserve Banks will "receive for collection" these coupons and due obligations and make the appropriate payment. This collection process is part of a nationwide system established by the Federal Reserve.

Financial institutions also hold corporate and municipal securities that mature, are called, or carry coupons due to mature. There may also be bankers' acceptances and checks or drafts that cannot be handled as cash items. As a service, a Federal Reserve Office will accept over the counter those items that are payable in the Office's geographical territory. Coupons submitted for collection must be packaged by payor, maturity date, and issue. A Federal Reserve Office will also present for payment any due coupon or security that it is holding in collateral accounts or safekeeping for a financial institution. Credit for due items will be passed to the owner-endorser on a predetermined schedule, and proposed fees for the collection service to be assessed are listed in the Appendix. A charge based on a predetermined schedule will be made to the paying agent, if the paying agent has formally submitted an auto-charge agreement.

NON-PRICED SERVICES

In addition to the services discussed so far for which explicit fees will be charged, Reserve Banks also provide other services at no charge to financial institutions and the public. Five major examples follow.

SAVINGS BONDS

As Fiscal Agents for the U. S. Treasury, the Federal Reserve Banks offer services related to the issuing and redeeming of Savings Bonds. Since the Savings Bond program is sponsored by the Treasury, all financial institutions and corporations operating payroll Savings Bonds plans for their employees are eligible to participate through a Federal Reserve Bank. Participation can take several forms.

As an issuing agent, a depository institution receives unissued Savings Bonds on consignment for future sale to its customers, its employees and its customers' employees. The Reserve Bank takes care of all shipping arrangements, and settlement is made to the Federal Reserve only after the Savings Bonds have been issued.

As a paying agent, a financial institution can redeem previously issued Savings Bonds for customers. The Federal Reserve Bank then reimburses these funds.

The Treasury pays a fee on a per-bond basis to both issuing and paying agents for performing these Savings Bond functions.

The local Federal Reserve Bank can qualify a financial institution as an issuing or paying agent, thus enabling the institution to provide these services to customers.

U. S. GOVERNMENT SECURITIES

The Federal Government carries out an extensive program of borrowing funds through the sale of Treasury securities. Most of the borrowing occurs through routine sales on a weekly, monthly, and quarterly basis, but special sales may occur in response to larger-than-anticipated needs for funds or the maturing of outstanding debt. Treasury borrowing generally represents very

large dollar amounts, and the terms of an issue of bills, notes, or bonds reflect financial market conditions at the time of the sale. While most new issues are sold on an auction basis, the prospective buyer can submit a noncompetitive tender for an allotment at the average price determined by the auction.

As Fiscal Agents for the U. S. Government, the Federal Reserve Banks handle the operations of sales of new Treasury issues. Tenders for new issues may be obtained from and submitted directly to a Federal Reserve Bank. If a financial institution submits a tender and is awarded part of the new issues, the institution will receive its securities from the Reserve Bank in either of two forms: definitive (paper) form or book-entry (computer-stored) form. The Federal Reserve System and the Treasury have instituted the book-entry system in an effort to make the process of issuing new Government securities more efficient and less vulnerable to theft. Issues of Treasury bills have been converted entirely to book-entry form. Treasury notes and bonds, however, are still issued in definitive form, in which case the buyer can choose to have the new issues shipped directly.

TREASURY TAX AND LOAN DEPOSITORY

A Federal Reserve Bank, as Fiscal Agent for the U. S. Treasury, maintains special depository accounts for financial institutions that wish to participate in the collection of Federal taxes and to realize short-term use of these tax funds. Depositories may qualify under one of two options: the remittance option or the note option. For both options, depositories are paid a per-item collection fee by the Treasury.

With the remittance option, the Treasury "calls" the tax deposit balances the day after the funds are deposited with the financial institution. Supporting collateral must be pledged against the tax deposits.

Under the note option, the depository can retain the tax funds in an on-going balance on which interest must be paid to the Treasury every month. (The rate of interest is set at a level 25 basis points below the daily Federal funds rate as reported for the nation.) Note option balances are subject to call for payment on demand to the Treasury, and 100 percent collateral must be pledged against all maintained balances.

INFORMATION SERVICES

The Federal Reserve System, as part of its monetary policy responsibility, collects, analyzes, and interprets information regarding economic activity and banking and financial developments. While most of the statistics are released by the Board of Governors in Washington, D. C., the District Banks are responsible for collecting and interpreting information in their respective regions. Over the years, each Federal Reserve Bank has developed a research staff, a library, and a data-collection operation at its main office. The function of the Reserve Bank's research staff is to analyze current developments and long-term trends in the nation's economy. Close attention is given to the industries that dominate the local economy.

SUPERVISION AND REGULATION

The Bank Supervision and Regulations and Holding Company Supervision Departments at the Federal Reserve Bank of Dallas will continue to be responsible for examining state-chartered member banks and bank holding companies. The Bank Supervision and Regulations Department also interprets the rules and regulations governing the conduct of banking and sends announcements and proposals about Federal Reserve regulations to all concerned institutions. In addition, questions and complaints about compliance with Truth in Lending, Equal Credit Opportunity, acceptable advertising, Community Reinvestment Act, EFT notification, and other laws are received and handled.

Head Office
400 South Akard Street, Dallas, Texas

Mailing Address: Station K
Dallas, Texas 75222

Telephone Numbers: 214-651-6111

Incoming WATS: 800-442-7140 (Texas Callers)
800-527-9200 (Out-of-Texas Callers)

El Paso Branch
301 East Main Street, El Paso, Texas

Mailing Address: P. O. Box 100
El Paso, Texas 79999

Telephone Number: 915-544-4730

Houston Branch
1701 San Jacinto Street, Houston, Texas

Mailing Address: P. O. Box 2578
Houston, Texas 77001

Telephone Number: 713-659-4433

San Antonio Branch
126 East Nueva Street, San Antonio, Texas

Mailing Address: P. O. Box 1471
San Antonio, Texas 78295

Telephone Number: 512-224-2141

APPENDIX

PROPOSED FEE SCHEDULE COMMERCIAL CHECK SERVICES (cents per item)

| FEDERAL RESERVE OFFICE | CASH LETTERS DEPOSITED DIRECTLY AT PROCESSING F.R. OFFICE | | | | | | CASH LETTER CONSOLIDATED WITH SHIPMENTS SENT FROM OTHER F.R. OFFICES TO PROCESSING F.R. OFFICE * | |
|--|---|----------------------|-----------|-----------------|--------------|------------|--|----------------|
| | City | Country RCPC & Mixed | Other Fed | Non-Machineable | Package Sort | Group Sort | City | Country & RCPC |
| BOSTON) LEWISTON) WINDSOR LOCKS) | 1.4¢ | 1.7¢ | 3.8¢ | 4.2¢ | 0.5¢ | 1.6¢ | 1.8¢ | 2.1¢ |
| NEW YORK | 2.5 | 2.9 | 5.1 | 7.0 | 0.2 | - | 3.0 | 3.4 |
| BUFFALO | 1.5 | 1.7 | 3.9 | 3.9 | 0.6 | - | 1.9 | 2.1 |
| JERICHO | - | 2.0 | - | 4.8 | 0.6 | - | - | 2.5 |
| CRANFORD | - | 2.2 | - | 4.5 | 0.6 | - | - | 2.7 |
| UTICA | - | 2.0 | - | 4.6 | 0.6 | 1.7 | - | 2.4 |
| PHILADELPHIA | 1.9 | 2.2 | 4.6 | 4.8 | 0.6 | 1.8 | 2.3 | 2.7 |
| CLEVELAND) CINCINNATI) PITTSBURGH) COLUMBUS) | 0.9 | 1.9 | 3.4 | 3.7 | 0.5 | - | 1.3 | 2.3 |
| RICHMOND | 1.6 | 1.9 | 4.0 | 4.1 | 0.6 | - | 2.0 | 2.4 |
| BALTIMORE | 1.6 | 1.8 | 4.1 | 3.8 | 0.6 | - | 2.0 | 2.2 |
| CHARLOTTE | 1.1 | 1.3 | 3.4 | 3.2 | 0.5 | - | 1.5 | 1.7 |
| COLUMBIA | 1.4 | 1.6 | 3.9 | 3.6 | 0.6 | - | 1.8 | 2.0 |
| CHARLESTON | - | 1.8 | 3.8 | 3.7 | 0.6 | - | - | 2.2 |
| ATLANTA) BIRMINGHAM) JACKSONVILLE) NASHVILLE) NEW ORLEANS) MIAMI) | 1.2 | 1.5 | 3.3 | 3.8 | 0.4 | - | 1.6 | 1.9 |
| CHICAGO | 1.9 | 2.5 | 4.3 | 4.1 | 0.5 | - | 2.4 | 2.9 |
| DETROIT | 1.2 | 1.8 | 4.5 | 5.5 | 0.4 | - | 1.6 | 2.3 |
| DES MOINES | 1.3 | 1.7 | 3.4 | 4.3 | 0.4 | - | 1.7 | 2.1 |
| INDIANAPOLIS | 1.2 | 1.2 | 3.5 | 3.4 | 0.4 | - | 1.6 | 1.6 |
| MILWAUKEE | 1.5 | 1.3 | 3.8 | 5.1 | 0.3 | - | 1.9 | 1.7 |
| ST. LOUIS) LITTLE ROCK) LOUISVILLE) MEMPHIS) | 1.7 | 2.1 | 3.8 | 4.0 | 0.3 | - | 2.1 | 2.6 |
| MINNEAPOLIS) HELENA) | 1.4 | 1.9 | 4.4 | 4.8 | 0.5 | 1.4 | 1.9 | 2.4 |
| KANSAS CITY | 1.7 | 2.4 | 3.9 | 4.0 | 0.5 | 1.0 | 2.1 | 2.8 |
| DENVER | 1.0 | 1.3 | 3.3 | 3.8 | 0.5 | - | 1.4 | 1.8 |
| OKLAHOMA CITY | 1.5 | 1.7 | 3.8 | 3.9 | 0.5 | - | 1.9 | 2.1 |
| OMAHA | 1.3 | 1.9 | 3.7 | 3.6 | 0.5 | - | 1.7 | 2.3 |
| DALLAS) HOUSTON) SAN ANTONIO) EL PASO) | 1.4 | 1.9 | 3.8 | 4.5 | 0.6 | 1.5 | 1.8 | 2.3 |
| SAN FRANCISCO) LOS ANGELES) PORTLAND) SALT LAKE CITY) SEATTLE) | 1.5 | 1.6 | 3.8 | 5.9 | 0.2 | - | 2.0 | 2.1 |

*The Consolidated option is not available at El Paso.

**AUTOMATED CLEARINGHOUSE SERVICES
(cents per item)**

Intra-ACH Items

1.0

Inter-ACH Items

1.5

WIRE TRANSFER OF FUNDS AND NET SETTLEMENT SERVICE

| | |
|----------------------------|--------|
| BASIC CHARGE PER ENTRY | \$0.70 |
| SURCHARGES PER ENTRY: | |
| ENTRY ORIGINATED OFF-LINE | 2.45 |
| TELEPHONE ADVICE REQUESTED | 1.60 |

CURRENCY AND COIN SHIPPING SERVICE

| FEDERAL RESERVE OFFICE | MAIL SHIPMENT* (DELIVERY TO OR FROM POST OFFICE) | CITY ENDPOINT | | | SUBURBAN ENDPOINT | | |
|------------------------------|--|--------------------------------|-----------------------|--|---------------------------|-----------------------|--|
| | | VOLUME SHIPPED | | PER STOP (PICKUP AND/OR DELIVERY) | VOLUME SHIPPED | | PER STOP (PICKUP AND/OR DELIVERY) |
| | | PER BUNDLE** OF CURRENCY | PER BAG OF COIN | | PER BUNDLE CURRENCY | PER BAG OF COIN | |
| Dallas | \$1.82 | \$.20 | \$.12 | \$1.88 | \$.40 | \$.40 | \$10.57 |
| Houston | 1.97 | .10 | .14 | 6.17 | - | - | - |
| San Antonio | 2.74 | .10 | .15 | 6.83 | .10 | .15 | 3.48 |
| El Paso | 2.74 | .10 | .19 | 5.99 | - | - | - |

OVER-THE-ROAD-ENDPOINTS

| FEDERAL RESERVE OFFICE | VOLUME SHIPPED | | PER STOP (PICKUP AND/OR DELIVERY) | | | | |
|------------------------------|--------------------------------|-----------------------|-----------------------------------|-------|-------|-------|-------|
| | PER BUNDLE** OF CURRENCY | PER BAG OF COIN | ZONE | | | | |
| | | | 1 | 2 | 3 | 4 | 5 |
| Dallas | 1.20 | 1.38 | 22.44 | 25.70 | 29.04 | - | - |
| Houston | 0.60 | 0.82 | 13.57 | 17.81 | 22.06 | 26.30 | - |
| San Antonio | 1.30 | 1.77 | 15.38 | 17.71 | 20.04 | 22.38 | 24.70 |
| El Paso | 1.70 | 1.95 | 27.25 | 31.50 | 32.00 | - | - |

*Cost of one-way trip to or from U. S. Post Office. Actual postage and insurance costs will be added.

**A bundle of currency is 1,000 notes (ten 100-note straps).

CITIES CURRENTLY PROVIDED CURRENCY AND COIN SHIPPING SERVICE SEPARATED BY ZONE
ELEVENTH FEDERAL RESERVE DISTRICT
DALLAS OFFICE

City Endpoints

In Texas City of Dallas Banks

Suburban Endpoints

In Texas Banks located in the following Cities:

| | | |
|----------------|---------------|------------|
| Carrollton | Grapevine | Lancaster |
| Duncanville | Grand Prairie | Lewisville |
| Farmers Branch | Irving | Mesquite |
| Garland | | Richardson |

Over-the-Road Endpoints

Zone 1 (Oklahoma)

| | | |
|---------|----------|--------|
| Antlers | Caddo | Durant |
| Atoka | Coalgate | Hugo |
| Boswell | Colbert | Madill |

Zone 1 (Texas)

| | | |
|--------------|---------------|----------------|
| Alvarado | Copperas Cove | Glen Rose |
| Alvord | Corsicana | Gordon |
| Anna | Dawson | Gorman |
| Arlington | Daingerfield | Graford |
| Athens | Decatur | Graham |
| Bells | De Leon | Granbury |
| Belton | Denison | Grand Saline |
| Bogata | Denton | Greenville |
| Bonham | Deport | Groesbeck |
| Bowie | Dublin | Hallsville |
| Breckenridge | Eastland | Hamilton |
| Bremond | Edgewood | Henderson |
| Bridgeport | Emory | Henrietta |
| Caddo Mills | Ennis | Hico |
| Cameron | Eules | Hillsboro |
| Canton | Evant | Honey Grove |
| Celeste | Fairfield | Hughes Springs |
| Cisco | Farmersville | Hurst |
| Clarksville | Ferris | Itasca |
| Cleburne | Forney | Jacksboro |
| Clifton | Franklin | Joshua |
| Colleyville | Ft. Worth | Kaufman |
| Comanche | Gainesville | Keene |
| Commerce | Gatesville | Kemp |
| Cooper | Gilmer | Killeen |
| | Gladewater | |

Dallas Office

Zone 1 (Texas)

Continued

| | | |
|---------------|-----------------|---------------|
| Kilgore | Naples | Teague |
| Kosse | Newcastle | Temple |
| Ladonia | Nocona | Terrell |
| Leonard | Olney | Tom Bean |
| Lipan | Paris | Trenton |
| Lone Star | Pilot Point | Troup |
| Longview | Pittsburgh | Tyler |
| Mabank | Plano | Valley Mills |
| Marlin | Quitman | Valley View |
| Mart | Ranger | Van Alstyne |
| McGregor | Rhome | Waco |
| McKinney | Rio Vista | Waxahachie |
| Mexia | Rockwall | Weatherford |
| Midlothian | Rosebud | West |
| Milford | Roxton | Whitehouse |
| Mineola | Royse City | Whitesboro |
| Mineral Wells | Saint Jo | Whitewright |
| Moody | Sanger | Whitney |
| Mt. Calm | Santo | Wichita Falls |
| Mt. Pleasant | Sherman | Wills Point |
| Mt. Vernon | Stephenville | Windom |
| | Strawn | Winnsboro |
| | Sulphur Springs | Wolfe City |
| | | Wortham |

Zone 2 (Louisiana)

| | | |
|--------------|-----------|------------|
| Arcadia | Homer | Ruston |
| Bossier City | Mansfield | Shreveport |
| | Minden | |

Zone 2 (Oklahoma)

| | |
|------------|--------|
| Broken Bow | Idabel |
|------------|--------|

Zone 2 (Texas)

| | | |
|-------------|---------------|------------|
| Abilene | Childress | Jefferson |
| Albany | Chillicothe | Lampasas |
| Anson | Coleman | Linden |
| Aspermont | Colorado City | Marshall |
| Atlanta | Crowell | Melvin |
| Avinger | Dekalb | Memphis |
| Baird | Eden | Menard |
| Ballinger | Eldorado | Merkel |
| Brady | Goldwaiethe | Mertzon |
| Bronte | Holland | Moran |
| Brownwood | Hamlin | Munday |
| Burkburnett | Haskell | New Boston |
| Carthage | Iowa Park | Paducah |

Dallas Office

| | |
|---------------|--------------|
| Quanah | Throckmorton |
| Rockdale | Vernon |
| Roscoe | Waskom |
| Rowena | Wellington |
| Rotan | Winters |
| Rule | |
| San Angelo | |
| Santa Anna | |
| San Saba | |
| Seymour | |
| Snyder | |
| Stanford | |
| Sterling City | |
| Sweetwater | |
| Texarkana | |

Zone 3 (Louisiana)

| | | |
|-----------------|-----------|-------------|
| Bastrop | Monroe | Rayville |
| Delhi | Oak Grove | Tallulah |
| Lake Providence | | West Monroe |

Zone 3 (Texas)

| | | |
|------------|-------------|-----------|
| Amarillo | Hale Center | Perryton |
| Amherst | Hart | Plainview |
| Big Lake | Hereford | Post |
| Big Spring | Higgins | Ralls |
| Borger | Kress | Rankin |
| Brownfield | Lamesa | Shamrock |
| Canadian | Levelland | Sonora |
| Clarendon | Littlefield | Stinnett |
| Claude | Lockney | Sudan |
| Crosbyton | Lubbock | Sundown |
| Dalhart | Muleshoe | Tahoka |
| Darrouzett | O'Donnell | Tulia |
| Dimmitt | Olton | Wheeler |
| Dumas | Ozona | |
| Floydada | Pampa | |
| Follett | Panhandle | |

CITIES CURRENTLY PROVIDED CURRENCY AND COIN SHIPPING SERVICE SEPARATED BY ZONE
ELEVENTH FEDERAL RESERVE DISTRICT
EL PASO OFFICE

City Endpoints (Combined with Suburban Endpoints)
In Texas City of El Paso Banks

Suburban Endpoints (Combined with City Endpoints)

Over-the-Road Endpoints

Zone 1 (New Mexico)

| | | |
|------------|--------|---------------------------|
| Alamogordo | Deming | Las Cruces |
| Anthony | Hatch | White Sands Missile Range |

Zone 2 (New Mexico)

| | | |
|----------|-----------|-----------------------|
| Artesia | Playas | Roswell |
| Bayard | Lordsburg | Silver City |
| Carlsbad | | Truth or Consequences |

Zone 2 (Texas)

| | | |
|-------|--|----------|
| Pecos | | Van Horn |
|-------|--|----------|

Zone 3 (New Mexico)

| | | |
|--------|-----------|------------|
| Clovis | Lovington | Santa Rosa |
| Hobbs | Portales | Tucumcari |

Zone 3 (Texas)

| | | |
|--------------|---------|----------|
| Alpine | Kermit | Monahans |
| Andrews | Midland | Odessa |
| Ft. Stockton | | Stanton |

CITIES CURRENTLY PROVIDED CURRENCY AND COIN SHIPPING SERVICE SEPARATED BY ZONE
ELEVENTH FEDERAL RESERVE DISTRICT
HOUSTON OFFICE

City Endpoints (Combined with Suburban Endpoints)

In Texas City of Houston Banks

Suburban Endpoints (Combined with City Endpoints)

Over-the-Road Endpoints

Zone 1 (Texas)

| | | |
|----------|-----------|---------------|
| Alvin | La Marque | Rosenburg |
| Anahuac | Liberty | Texas City |
| Angleton | Richmond | Tomball |
| Conroe | | West Columbia |

Zone 2 (Texas)

| | | |
|-----------------|--------------|--------------|
| Anderson | Eagle Lake | Livingston |
| Bay City | El Campo | Madisonville |
| Beaumont | Freeport | Navasota |
| Bellyville | Galveston | Port Arthur |
| Brenham | Giddings | Port Neches |
| Bryan | Huntsville | Schulenburg |
| Caldwell | Kountze | Silsbee |
| Clute | La Grange | Snook |
| College Station | Lake Jackson | Trinity |

Zone 3 (Texas)

| | | |
|---------------|-------------|-------------|
| Crockett | Lufkin | Orange |
| Hallettsville | Nacogdoches | Palestine |
| Jasper | Newton | Port Lavaca |
| | | Victoria |

Zone 4 (Texas)

| | | |
|--------|--------------|---------------|
| Center | Cushing | San Augustine |
| | Jacksonville | |

CITIES CURRENTLY PROVIDED CURRENCY AND COIN SHIPPING SERVICE SEPARATED BY ZONE
ELEVENTH FEDERAL RESERVE DISTRICT
SAN ANTONIO OFFICE

City Endpoints

In Texas Downtown San Antonio Banks

Suburban Endpoints

In Texas City of San Antonio banks except those banks
located in downtown San Antonio

Over-the-Road Endpoints

Zone 1 (Texas)

| | | |
|-------------|-------------|----------------|
| Bandera | Karnes City | New Braunfels |
| Blanco | Kenedy | Pleasanton |
| Boerne | Kerrville | Poth |
| Falls City | La Coste | San Marcos |
| Floresville | Luling | Seguin |
| Hondo | | Universal City |

Zone 2 (Texas)

| | | |
|-----------------|-----------|-------------|
| Austin | Goliad | Nordheim |
| Bastrop | Gonzales | Refugio |
| Beeville | Granger | Rocksprings |
| Carrizo Springs | Junction | Round Rock |
| Cotulla | Kingsland | Taylor |
| Fredericksburg | Lockhart | Woodsboro |
| Georgetown | Mason | Yoakum |
| George West | Mathis | Yorktown |

Zone 3 (Texas)

| | | |
|----------------|--------------|----------|
| Brackettville | Falfurrias | Laredo |
| Corpus Christi | Hebbronville | Robstown |
| Del Rio | Kingsville | Rockport |
| Eagle Pass | | Taft |

Zone 4 (Texas)

| | | |
|----------|-----------------|--------|
| Edinburg | Mission | Zapata |
| | Rio Grande City | |

Zone 5 (Texas)

| | | |
|-------------|----------|----------|
| Brownsville | La Feria | Mercedes |
| Harlingen | McAllen | Weslaco |

SECURITIES SAFEKEEPING AND NON-CASH COLLECTION SERVICE

| BOOK-ENTRY SECURITIES | | | DEFINITIVE SECURITIES* | | | |
|--|--|---|---|-----------------------------------|--|---|
| <u>SECURITIES BASIC PRICE PER TRANSFER</u> | <u>SURCHARGE PER OFF-LINE TRANSFER**</u> | <u>ACCOUNT MAINTENANCE PER ACCOUNT***</u> | <u>DEPOSIT, WITH- DRAWAL, REDEMP- TION PER TRANSACTION*</u> | <u>PER ACCOUNT SWITCH</u> | <u>COUPON CLIPPING PER ISSUE</u> | <u>ACCOUNT MAINTENANCE PER MILLION \$ PAR AMOUNT***</u> |
| \$1.80 | \$5.25 | \$60.00 | \$19.00 | \$10.00 | \$4.50 | \$34.00 |

| COUPON COLLECTION | | |
|---|--|---|
| <u>PURCHASE AND SALE PER MARKET TRANSACTION</u> | <u>PER ENVELOPE OR ITEM PROCESSED*</u> | <u>PER \$1,000 COUPON VALUE SHIPPED</u> |
| \$16.75 | \$2.00 | \$1.00 |

*Plus out-of-pocket shipping expenses, insurance fees and fees assessed by other Federal Reserve Banks if any.

**Assessed for off-line origination and off-line receipt.

***Per annum assessed on a quarterly basis.

QUESTIONNAIRE ON USE OF FEDERAL RESERVE SERVICES

Institution: _____

Mailing Address: _____

City _____ County _____ State _____ Zip _____

Person Completing: _____

Title: _____

Phone: () - _____ Extension _____

Please return this completed questionnaire in the envelope provided to the Operations Analysis Department, Federal Reserve Bank of Dallas, Station K, Dallas, Texas 75222 by October 24, 1980.

DISCOUNT WINDOW

1. If you have not already done so, do you plan to execute the Reserve Bank Borrowing Resolution and Continuing Lending Agreement in order to have the documents on file with the Reserve Bank, should the need to borrow materialize?

_____ Yes _____ No

2. If you intend to file the borrowing documents and believe it is likely you will be interested in accommodation at the discount window within the next 12 months, what type or types of collateral would you most probably use?

_____ U. S. Government or Agency Obligations

_____ Municipal Securities

_____ Customer Paper

CHECK COLLECTION

1. How do you plan to deposit cash items for presentment to paying institutions in 1981?

Directly to your Federal Reserve Office
 To another financial institution

2. Estimate your average 1981 daily volume (number of items) to be deposited with your Federal Reserve Office:

Commercial checks, NOW account items, or share drafts
 Treasury checks
 Postal money orders

3. If your institution will offer checking, NOW, or share draft accounts in 1981, how would you prefer to receive items for payment by your institution? (Check one)

Items fine sorted for direct presentation to your institution from the Federal Reserve Bank.
 Items passed to you through another financial institution or processing center. Name: _____
 Items passed to you through the head office of your own financial institution.

ACH

1. Do you plan to receive ACH items through the Federal Reserve Bank in 1981?
 Yes No If "yes" do you have facilities to accept entries on magnetic tape? Yes No

2. Will you originate ACH items from your institution in 1981?
 Yes No If "yes", how frequently will you originate ACH items? (Check one)
- a. Weekly b. Once every two weeks c. Monthly
d. Once every two months e. Other; explain _____

TRANSFER OF FUNDS

1. Do you anticipate using the Federal Reserve communication system to make wire transfer of funds transactions in 1981?

Yes No

If you may use this service, please answer the following questions:

2. How many transfers do you estimate handling daily on average in 1981?

Sending Receiving

3. Would your institution be interested in having an on-line terminal if volume statistics warrant such installation?

Yes No Already on-line

NET SETTLEMENT

1. Do you plan to use our net settlement service in 1981?

Yes No

If "yes", through what clearinghouse or other organization do you anticipate effecting net settlement entries? _____

COIN AND CURRENCY

1. When pricing becomes effective, do you plan to receive coin and currency directly from the Federal Reserve Bank?

_____ Yes _____ No

If your above answer is yes, please answer the following questions.

2. With what frequency will you require this service?

_____ Weekly _____ Once every two weeks _____ Monthly _____ Other;
specify _____

3. What will be your average dollar amount of

(a) an order of currency and coin? \$ _____

(b) a deposit of currency and coin? \$ _____

4. Do you plan to use Federal Reserve provided transportation for pickup and delivery of currency and coin?

_____ Yes _____ No

TRANSFER OF SECURITIES

1. Does your institution plan to transfer securities through your Federal Reserve Office in 1981?

Yes No

If you expect that your institution may use this service in 1981, please answer the following questions.

2. How do you expect to hold securities which you may wish to transfer?

Safekeeping at the Federal Reserve Bank
 Your institution's or another institution's own vault

3. How many transfers of securities, both incoming and outgoing, does your institution expect to process through your Federal Reserve Office each month?

Number incoming Number outgoing

4. How do you anticipate processing these security transfers? (Check one)

On-line (terminal) Off-line (telephone request)

NON-CASH COLLECTIONS

1. Will your institution submit non-cash items to your Federal Reserve Office for collection in 1981?

Yes No

If your institution will use this service, please estimate by type the average number of non-cash items that your institution anticipates processing each month through your Federal Reserve Office for collection.

Municipal and corporate coupons
 Banker's acceptances
 Checks with special instructions attached
 Other; explain _____

SAFEKEEPING

1. Does your institution anticipate use of the safekeeping service at your Federal Reserve Office in 1981?

_____ Yes _____ No

If you may use this service, please provide the following information:

2. Estimate the number of pieces per issue in each of the types of securities that your institution may deposit for safekeeping with your Federal Reserve Office.

_____ Municipal and state bonds _____ Other
_____ Corporate bonds

3. What is the estimated volume of transactions each month? (Number of issues)

_____ Deposits _____ Withdrawals

PURCHASE AND SALE OF SECURITIES

1. Will your institution use your Federal Reserve Office for the purchase and sale of securities in 1981?

_____ Yes _____ No

If your institution will use the Federal Reserve, please answer the following:

2. How many times a month, on average, do you estimate using your Federal Reserve Office for this service? _____

3. How would you prefer these securities be held?

_____ Safekeeping at your Federal Reserve Office
_____ In your own vault