WIRE CHARGEBACKS FOR LARGE DOLLAR ADJUSTMENTS

TO ALL FINANCIAL INSTITUTIONS IN THE
ELEVENTH FEDERAL RESERVE DISTRICT:

In June, the Federal Reserve System announced plans to implement a wire chargeback procedure for both cash letter adjustments and return items of $50,000 or more. Details concerning both programs were sent to you on June 17, 1982 in Circular No. 82-71. Due to numerous requests that these programs be given further consideration, we advised you by Circular No. 82-79 on July 14, 1982, that the System had decided to delay implementation of the proposed procedures for at least 60 days.

After consideration, the Federal Reserve now believes that the wire chargeback procedure for interterritory cash letter adjustments of $50,000 or more can be implemented with minimal effect on financial institutions and their customers. Recognizing the potential effects on reserve account status, adjustments will not be made after 3:00 p.m. local time. The System plans to implement this new program on Thursday, September 23, 1982.

The wire chargeback procedure for return items of $50,000 or more will be published for comment later this year with the announcement of a program to deal with Federal Reserve System float.

If you have any questions concerning the operational details associated with this program, please contact Donald L. Jackson at the Head Office, (214) 651-6118; Robert W. Schultz at the El Paso Branch, (915) 544-4730; Vernon L. Bartee at the Houston Branch, (713) 659-4433; or John A. Bullock at the San Antonio Branch, (512) 224-2141.

Additional copies of this circular will be furnished upon request to the Department of Communications, Financial and Community Affairs, Extension 6289.

Sincerely yours,

William H. Wallace
First Vice President