

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 83-49

March 29, 1983

FEE SCHEDULE FOR WIRE TRANSFER  
OF FUNDS AND NET SETTLEMENT SERVICES

TO ALL DEPOSITORY INSTITUTIONS IN THE  
ELEVENTH FEDERAL RESERVE DISTRICT:

On March 17, 1983, the Federal Reserve Board announced that current fee schedules for the wire transfer of funds and net settlement services will continue without change.

Enclosed is the text of the Board's press release and Federal Register notice regarding the announcement.

Questions concerning this circular may be directed to Robert L. Whitman, (214) 698-4357 at the Head Office; William L. Wilson, (915) 544-4730 at the El Paso Branch; Sammie C. Clay, (713) 659-4433 at the Houston Branch; or Thomas C. Cole, (512) 224-2141 at the San Antonio Branch.

Additional copies of this circular will be furnished upon request to the Public Affairs Department, Extension 6289.

Sincerely yours,



William H. Wallace  
First Vice President

Enclosure

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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.

# FEDERAL RESERVE press release



For immediate release

March 17, 1983

The Federal Reserve Board today announced that it will continue without change current charges to depository institutions for wire transfer of funds and net settlement services.

The Federal Reserve is pricing its services to banks and other depositories in compliance with the Monetary Control Act of 1980. The Act requires that the Federal Reserve charge explicitly for its services and that the charges recover the System's costs of providing the priced services plus an adjustment <sup>1/</sup> for costs that would have been incurred if the services had been provided by a private business firm. The fees are in accordance with pricing principles established by the Board and published in December 1980.

The current fee schedules for the wire transfer and net settlement services were put into effect April 29, 1982. The Board has concluded that it is appropriate to retain these fee schedules as revenues for these services are covering costs, including the private sector adjustment factor, and are expected to continue to do so.

Accordingly, the fee schedules for the Federal Reserve's wire transfer of funds and net settlement services will continue in effect as follows:

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<sup>1/</sup> The Private Sector Adjustment Factor (PSAF) -- An allocation of imputed costs taking into account taxes that would have been paid and the return on capital that would have been provided had the services been rendered in the private sector.

(over)

Wire Transfer of Funds

Net Settlement

On-Line Transfer:

Originator            \$0.65

Receiver             \$0.65

Settlement Entries    \$1.30

Off-Line Surcharges:

Originator            \$3.50

Receiver             \$2.25

Off-Line Surcharges:

Per Settlement        \$5.00

Telephone Advice     \$2.25

Reserve Banks may charge higher fees for net settlement arrangements that result in higher costs.

The Board's notice is attached.

Attachment

FEDERAL RESERVE SYSTEM

FEE SCHEDULES FOR FEDERAL RESERVE BANK SERVICES

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Fee Schedules for Wire Transfer of Funds and Net Settlement Services.

SUMMARY: The Monetary Control Act of 1980 (Title I of Public Law 96-221) requires that schedules of fees be established for Federal Reserve Bank services. Revised fee schedules for the wire transfer of funds and net settlement services were implemented effective April 29, 1982. The Board has now determined to continue the existing fee schedules for these services.

EFFECTIVE DATE: March 17, 1983.

FOR FURTHER INFORMATION CONTACT: Elliott C. McEntee, Assistant Director (202/452-2231) or Florence M. Young, Program Manager (202/452-3955) Federal Reserve Bank Operations; Gilbert T. Schwartz, Associate General Counsel (202/452-3625) or Daniel L. Rhoads, Attorney (202/452-3711), Legal Division, Board of Governors of the Federal Reserve System, Washington, D. C. 20551.

SUPPLEMENTARY INFORMATION: The Monetary Control Act of 1980 ("Act") requires that fee schedules be developed for Federal Reserve Bank services based on pricing principles established by the Board. The fee schedules for wire transfer of funds and net settlement services became effective January 29, 1981. Proposed new fee schedules for wire transfer of funds and net settlement services were published for public comment on January 7, 1982 (47 FR 2790). New fee schedules for these services became effective on April 29, 1982 (47 FR 13406).

Revenues from the provision of wire transfer of funds and net settlement services are slightly in excess of the costs, including the 16 percent private sector adjustment factor ("PSAF"), incurred in providing the services from May 1982 through January 1983 (\$42.4 million and \$42.2 million, respectively). Based on 1983 estimates of the volume of funds transfers (39.7 million transfers), the Board believes that the fee schedules currently in effect will provide sufficient revenues to cover the costs of providing the services, including the PSAF. The Board has concluded that it is appropriate to retain the current fee schedules for the wire transfer of funds and net settlement services. The System is, however, conducting a comprehensive review of the fee structures of these services. Should it be determined that significant restructuring of the fee schedules for these services are desirable, public comment on any such proposed changes will be solicited. It is anticipated, however, that any changes to the current fee structures would not be implemented until 1984.

Accordingly, the fee schedules for the Federal Reserve's wire transfer of funds and net settlement services will continue in effect as follows:

Wire Transfer of Funds

Net Settlement

On-Line Transfer:

Originator           \$0.65

Settlement Entries       \$1.30

Receiver             \$0.65

Off-Line Surcharges:

Off-Line Surcharges:

Originator           \$3.50

Per Settlement           \$5.00

Receiver             \$2.25

Telephone Advice         \$2.25

Reserve Banks may charge higher fees for net settlement arrangements that result in higher costs.

By order of the Board of Governors of the Federal Reserve System,  
March 17, 1983.

(signed) William W. Wiles

William W. Wiles  
Secretary of the Board

[SEAL]