



FEDERAL RESERVE BANK
OF DALLAS

ROBERT L. WHITMAN
ASSISTANT VICE PRESIDENT

August 3, 1988

DALLAS, TEXAS 75222

To the Chief Operations Officer of each
Financial Institution in the Eleventh District:

RETURN LETTER DELIVERY ARRANGEMENTS

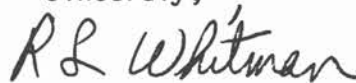
On August 10, 1987, the Competitive Equality Banking Act of 1987 was signed into law. That law included the Expedited Funds Availability (EFA) Act, which becomes effective September 1, 1988. The Act establishes check hold rules, requires certain consumer disclosures, mandates that the Federal Reserve establish appropriate regulations to implement the Act, and suggests that the Federal Reserve consider changes in return check processing.

One of the return check changes the Federal Reserve will be making is the return of unpaid checks directly to the institution that accepted the check for deposit, rather than to the previous endorser. Therefore, any institution that accepts checks for deposit from its customers will be eligible to receive a return check letter from the Federal Reserve. Accordingly, it will be necessary for your institution to decide whether or not you will be endorsing your deposited checks as the institution of first deposit and, if so, where your return checks should be delivered. Please complete the attached "Return Check Delivery Arrangement" form indicating whether receiving your returns by the present method is your delivery preference, or whether you prefer one of the other delivery options. To assist us in developing effective procedures for handling returned checks, it will also be appreciated if you will respond to the attached "Return Check Survey". Please complete the questionnaires and return them by August 12, 1988.

Because the availability schedules mandated by the Act may make knowledge of checks returned to your institution more critical, we encourage you to carefully analyze your return check delivery requirements. We expect that, in most instances, no changes will be required to the present arrangements. However, in order that any necessary transportation arrangements can be made and any legal agreements signed, please contact the individual listed below at the Federal Reserve Office serving your zone if a change is necessary.

Dallas	Charles R. Hunter	Toll-Free: 1-800-442-7140 Local: (214) 651-6160
El Paso	Eloise Guinn (Texas) (New Mexico)	Toll-Free: 1-800-592-1631 Local: (915) 544-4730 Toll-Free: 1-800-351-1012
Houston	Louis R. Moore	Toll-Free: 1-800-392-4162 Local: (713) 652-1581
San Antonio	Herb Barbee	Toll-Free: 1-800-292-5810 Local: (512) 224-2141

Sincerely,



Robert L. Whitman

Attachments

FEDERAL RESERVE BANK OF DALLAS
RETURN CHECK SURVEY

If you currently send return checks or are planning on sending return checks to the Federal Reserve Bank of Dallas or one of its branch offices, please complete and return this survey to your local Federal Reserve Office by August 12, 1988. Please return this form promptly so that information and new deposit forms can be sent to you prior to September 1, 1988.

1. a) If you currently send return checks to the Federal Reserve, please indicate the daily average volume: _____

b) If you plan to start sending return checks to the Federal Reserve, please indicate the approximate daily average volume: _____

(Return Check Volume is the number of checks you dishonor each day for non-payment e.g., NSF.)

2. Please circle the type of option you will use: **QUALIFIED** **RAW**

(A **Qualified Return Check** is a returned or dishonored check that has been prepared for high-speed sorting by either placing a strip along the bottom edge or placing the check in a carrier envelope, preferably translucent, and then encoding the routing/transit number of the bank of first deposit and dollar/cents amount on the strip or envelope, plus the number "2" in position 44. A **Raw Return Check** is a returned check that has not been prepared for processing through high-speed equipment.)

3. Please circle the work type(s) you expect to deposit with us.

MIXED **CITY** **RCPC** **COUNTRY** **OTHER FED**

(Please refer to the reverse side of this survey for routing transit numbers located in each zone by work type.)

4. For **Qualified** returns, please indicate what deadline(s) (time of day) you expect to meet for each work type?

MIXED _____ CITY _____ RCPC _____ COUNTRY _____ OTHER FED _____

(Please refer to the reverse side of this survey for Qualified Returns deadlines.)

5. For **Raw** returns, please indicate what deadline(s) (time of day) you expect to meet for each work type?

MIXED _____ CITY _____ RCPC _____ COUNTRY _____ OTHER FED _____

(Please refer to the reverse side of this survey for Raw Returns deadlines.)

6. Institution Name: _____

Nine Digit R/T: _ _ _ _ _ - _ _ _ _ _ - _ _

ADDITIONAL INFORMATION

Routing Transit Numbers

Zone	City	RCPC	Country
Dallas	1110,3110	1111,1119,3111,3119	1113,3113
Houston	1130,3130	1131,3131	
San Antonio	1140,3140	1149,3149	
El Paso	1120,3120	1122,1123,1163 3122,3123,3163	

Return Checks Deadlines

Qualified Returns	Dallas	Houston	San Antonio	El Paso
Mixed	12:01 a.m. 9:00 a.m. 2:00 p.m. 7:00 p.m.	12:01 a.m. 9:00 a.m. 12:00 noon 8:00 p.m.	12:01 a.m. 9:30 a.m. 12:00 noon 7:30 p.m.	12:01 a.m. 9:15 a.m. 12:00 noon
City				
Regular	9:00 a.m.	9:00 a.m.	9:30 a.m.	9:15 a.m.
Fine Sort	9:30 a.m.	11:00 a.m.	10:30 a.m.	10:15 a.m.
RCPC				
Regular	12:01 a.m.	12:01 a.m.	2:00 a.m.	12:01 a.m.
Premium	1:15 a.m.	1:15 a.m.	NA	12:30 a.m.
Fine Sort	4:00 a.m.	4:00 a.m.	4:00 a.m.	2:30 a.m.
Country	Sun-Thurs/	NA	NA	NA
Regular	8:00 p.m.	NA	NA	NA
Fine Sort	9:30 p.m.	NA	NA	NA
Oth Fed	2:00 p.m. 7:00 p.m.	12:00 noon 8:00 p.m.	12:00 noon 7:30 p.m.	12:00 noon
Raw Returns	Dallas	Houston	San Antonio	El Paso
Mixed	Sun-Thurs/ 8:00 p.m.	Sun-Thurs/ 8:00 p.m.	Sun-Thurs/ 8:00 p.m.	Sun-Thurs/ 8:00 p.m.
City/RCPC/ Oth Fed	12:01 a.m.	12:01 a.m.	2:00 a.m.	12:01 a.m.
Country	12:01 a.m.	NA	NA	NA

**Mailing Addresses for
Return of Survey Forms**

Federal Reserve Bank of Dallas
Station K
Attn: Mr. Charles R. Hunter
Dallas, Texas 75222

Federal Reserve Branch in Houston
P.O. Box 2578
Attn: Mr. Louis R. Moore
Houston, Texas 77252

Federal Reserve Branch in El Paso
P.O. Box 100
Attn: Ms. Eloise Guinn
El Paso, Texas 79999

Federal Reserve Branch in San Antonio
P.O. Box 1471
Attn: Mr. Herb Barbee
San Antonio, Texas 78295

FEDERAL RESERVE BANK/BRANCH

Dallas El Paso Houston San Antonio

RETURN CHECK DELIVERY ARRANGEMENTS

Deliver my returns: (Check only one)

- _____ to my institution/processor where my forward items are currently delivered
- _____ to an institution/processor on current Federal Reserve Bank courier routes
- _____ by first class mail to my institution
- _____ We will be arranging, at our expense, transportation for the delivery of returns. (If you choose this option, we need a letter of authorization to release the returns to your agent.)
- _____ I will not have return checks delivered to me because items deposited with me will be endorsed with the routing/transit number of my payable-through institution or correspondent institution.
- _____ I will be contacting you to discuss receiving my return checks directly by courier.

Please furnish the following information:

	<u>Your Institution</u>	<u>Return Check Delivery Point if different than directly to your institution</u>
Name	_____	_____
Address	_____	_____
City/State	_____	_____
R/T Number	_____ (Use Nine-Digit Number)	_____ (If Applicable)
Signature	_____	
Title	_____	

Please return to your local Federal Reserve Office by August 12, 1988.