



WILLIAM H. WALLACE
FIRST VICE PRESIDENT
AND CHIEF OPERATING OFFICER

FEDERAL RESERVE BANK
OF DALLAS

April 13, 1990

DALLAS, TEXAS 75222

Circular 90-17

TO: The Chief Executive Officer of all
member banks and others concerned in
the Eleventh Federal Reserve District

SUBJECT

Amendments to Bulletins 6, 8, and 9

DETAILS

The Federal Reserve Bank of Dallas has amended its Bulletins 6, 8, and 9 to change the time frames for submitting photocopies, asserting timely return, and paying and making claims on Treasury checks. The amendments would also clarify when the Reserve Banks may commingle checks presented to a single presentment point.

ATTACHMENTS

The text of changes to Bulletins 6, 8, and 9 is attached. Please note that the new material is underlined.

MORE INFORMATION

For more information about Bulletin 6, please contact Larry Ripley at (214) 651-6118. For more information about Bulletin 8, please contact Jack Clymer or Denny McCormick at (214) 651-6337 or (214) 651-6283. For more information about Bulletin 9, please contact Bob Feil at (214) 651-6690. For additional copies of this circular, please contact the Public Affairs Department at (214) 651-6289.

Sincerely yours,

A handwritten signature in cursive script that reads "William H. Wallace".

EXHIBIT A

Amendment of Federal Reserve Bank of Dallas' Bulletin 8
Regarding (1) Timeframes for Submitting Photocopies
and Asserting Timely Return, (2) Timeframe for
Commencing Action Against Reserve Bank, (3) Timeframes
for Payment of and Claims on Treasury Checks, and
(4) Another Matter

Paragraphs 26, 31, 49, 69, 76, and Appendix A of the Federal Reserve Bank of Dallas' Bulletin 8, "Collection of Cash Items and Returned Checks", are amended as follows, effective January 1, 1990:

"26. We may commingle cash items delivered to or picked up by the paying bank's agent with other cash items delivered to or picked up by that agent, unless otherwise requested by the paying bank. A cash item is considered presented when received by the paying bank or its agent (other than a payable through bank)."

* * *

31. We provide a statement of account to each bank maintaining an account on our books. An account holder must promptly advise us in writing of an objection to an entry in our statement of its account. An account holder that fails to advise us of its objection within one calendar year of the date of the entry (and any bank that has used the account and has handled the cash item or returned check to which the entry relates) is deemed to have approved the entry, and the statement of account is deemed finally adjusted. Reserve Banks generally keep records for only one year. This paragraph does not relieve an account holder from the duty of using due diligence in examining statements of account sent to it and of notifying us immediately on discovery of an error. Further, this paragraph does not relieve a Reserve Bank from liability for breach of warranty on an item to which an entry relates. Section 229.38(g) of Regulation CC requires that any action for a violation of Regulation CC be brought within one year after the date of the occurrence of the violation. Section 210.6(c) of Regulation J requires that action on a claim against a Reserve Bank for failure to exercise ordinary care or act in good faith under Regulation J be commenced within two years after the claim accrues."

* * *

"49. We will revoke the credit given to the disputing bank and recredit the paying bank or other Reserve Bank if

(b) We (or another Reserve Bank) receive from the paying bank, within twenty (20) banking days of the Reserve Bank after we or the other Reserve Bank sent the check

"69. We handle a correctly prepared photocopy as a cash item [though our adjustment department] (Optional) if we or a prior collecting Reserve Bank receive the photocopy and a copy of the advice of charge back or request within twenty (20) banking days (of the Reserve Bank) from the day we (or the prior Reserve Bank) charged back the original item or requested the photocopy"

* * *

"76. We handle as a returned check through our adjustment department a legible photocopy of a returned check (front and back), or, if a photocopy is not available to the paying or returning bank, a written notice of nonpayment containing the information specified in paragraph 53. If we charged back the returned check to the paying or returning bank under paragraph 75 or requested the photocopy, we (or a prior returning Reserve Bank) must receive the photocopy or notice and a copy of the advice of chargeback or request within twenty (20) banking days (of the Reserve Bank) from the day we (or the prior Reserve Bank) charged back the returned check or requested a photocopy. . . ."

* * *

Bulletin 8 Appendix A

Government Checks

Paragraph 3 is amended, paragraph 4 is deleted, and a new paragraphs 4 and 5 are substituted, as follows:

"3. . . . The expeditious return and notice of nonpayment requirements of Regulation CC do not apply to a Government check, and the Government is not a paying bank under Regulation CC."

* * *

"4. The Treasury Department is generally not required to pay a government check (a) issued on or after October 1, 1989, unless it is negotiated to a financial institution within one year after the date of issue, or (b) issued before October 1, 1989, unless it is negotiated to a financial institution no later than October 1, 1990, as provided in Treasury Department Circular No. 21.

* * *

"5. If the Treasury determines that a Government check has been paid

over a forged or unauthorized indorsement, the Treasury may reclaim the amount of the check from the presenting bank or prior indorser within one year after the date of credit by this Bank, as provided in Treasury Department Circular No. 21. This period is extended by 180 days if a timely claim is made against the Government under 31 U.S.C. 3702. Under 31 U.S.C. 3702, a claim on a Government check must be made to the issuing agency within one year after the date of issuance, or within one year after October 1, 1989, whichever is later. Under 31 U.S.C. 3712, an action by the government to enforce liability on a forged or unauthorized signature or indorsement on, or a change in, a Government check generally must be commenced within one year after presentment of the check. This period is extended by three years if the Government gives written notice of a claim one year after presentment of the check."

EXHIBIT B

Amendment of Federal Reserve Bank of Dallas' Bulletin 9 Regarding Two Year Time Frame for Commencing Action Against Reserve Bank

Paragraph 31 of the Federal Reserve Bank of Dallas' Bulletin 9, "Collection of Noncash Items", is amended as follows, effective January 1, 1990:

"31. We provide a statement of account to each bank maintaining an account on our books. An account holder must promptly advise us in writing of an objection to an entry in our statement of its account. An account holder that fails to advise us of its objection within one calendar year from the date of the entry (and any sender, collecting bank, or paying bank that has used the account and has handled the item to which the entry relates) is deemed to have approved the entry, and the statement of account is deemed finally adjusted. Reserve Banks generally keep records for only one year. This paragraph does not relieve an account holder from the duty of using due diligence in examining statement of account sent to it and of notifying us immediately on discovery of an error. Further, this paragraph does not relieve a Reserve Bank from liability for breach of warranty on an item to which an entry relates. Section 210.6(c) of Regulation J also requires that action on a claim against a Reserve Bank for failure to exercise ordinary care or act in good faith be commenced within two years after the claim accrues."

EXHIBIT C

Amendment of Federal reserve Bank of Dallas' Bulletin 6
Regarding Two Year Timeframe
for Commencing Action Against Reserve Bank

Paragraph 17 of the Federal Reserve Bank of Dallas' Bulletin 6, "Wire Transfer of Funds" is amended as follows, effective January 1, 1990:

17. We provide an advice of debit to a transferror maintaining or using an account with us. This advice may be combined with other advises of debit in a statement. The transferror should carefully examine the advice on receipt, and promptly report any exception. The transferror is deemed to approve a debit if it fails to send written objection within ten (10) calendar days after it receives the advice of debit to the office of this Bank with which it maintains or uses an account. Section 210.38(b)(2) of Regulation J also requires that action on a claim against a Reserve Bank for failure to exercise ordinary care or act in good faith be commenced within two years after the claim accrues."