



FEDERAL RESERVE BANK  
OF DALLAS

WILLIAM H. WALLACE  
FIRST VICE PRESIDENT  
AND CHIEF OPERATING OFFICER

DALLAS, TEXAS 75222

June 29, 1990

Circular 90-42

**TO:** The Chief Executive Officer of  
each financial institution in the  
Eleventh Federal Reserve District

**SUBJECT**

Slip sheet with amendments to the Official  
Staff Commentary on Regulation E--Electronic Fund  
Transfers

**DETAILS**

The Board of Governors of the Federal Reserve System has published amendments in slip-sheet form to the Official Staff Commentary on Regulation E, effective April 1990. The new slip sheet should be inserted in Volume 2 of your Regulations and Bulletins Binders.

**ENCLOSURES**

The revised slip sheet is enclosed.

**MORE INFORMATION**

For more information, please contact W. Arthur Tribble at (214) 744-7479. For additional copies of the slip sheet, please contact the Public Affairs Department at (214) 651-6289.

Sincerely yours,

A handwritten signature in dark ink, reading 'William H. Wallace', is positioned below the typed name.

# Amendments to the Official Staff Commentary on Regulation E Electronic Fund Transfers April 1990\*

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*Effective April 1, 1990, comment 10-19.5 is added to read as follows:*

**Q10-19.5: Preauthorized debit—revocation of authorization.** A consumer authorizes a designated payee to originate electronic fund transfers from the consumer's account. The consumer later revokes that authorization and instructs the account-holding financial institution to block all subsequent debits initiated by that payee-originator. Must the financial institution comply with the consumer's instruc-

tions, or may it wait for the originator to cease the initiation of automatic debits?

**A:** Since the financial institution has been notified that the consumer's authorization is no longer valid, the institution must block all future debits transmitted by that payee-originator.

The financial institution may confirm that the consumer has informed the payee-originator of the revocation. The institution may also require a copy of the consumer's revocation.

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\* The complete commentary pamphlet, as amended effective April 1, 1990, consists of—

- the commentary pamphlet dated April 1989 (see inside cover) and
- this slip sheet.