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

SUBJECT
Expansion of the pilot program for receipt and deposit of return items in forward collection cash letters

DETAILS
Beginning May 1, 1991, all financial institutions in the El Paso office territory will have the option of receiving and depositing return items intermingled in forward presentment cash letters. The program will be expanded to include the Houston and San Antonio offices later this year. Institutions in the Dallas territory have been participating in this program since October 1989.

The program, which is designed to accelerate further the return process, will allow participating institutions to deposit returns in forward presentment cash letters provided they agree to receive returns intermingled in their incoming Fed cash letters.

A return item deposited in a forward collection cash letter will be charged the appropriate forward collection fee if the institution to which it is being returned is a participant in the program. Other returns deposited in an intermingled cash letter will be assessed the normal return item fee.

MORE INFORMATION
For further information, please call Eloise Guinn or Jane Pyke in El Paso at (915) 544-4730.

Sincerely yours,
Robert D. McTeer, Jr.