



**FEDERAL RESERVE BANK
OF DALLAS**

TONY J. SALVAGGIO
FIRST VICE PRESIDENT

DALLAS, TEXAS
75265-5906

October 4, 1994

Notice 94-100

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

SUBJECT

**Technical Amendments to Regulation CC
(Availability of Funds and Collection of Checks)**

DETAILS

The Board of Governors of the Federal Reserve System has issued technical amendments to Appendices A and B-2 of Regulation CC (Availability of Funds and Collection of Checks).

The amendments will conform Appendix A to a realignment in Federal Reserve check processing regions by adding the routing numbers formerly assigned to the Buffalo check processing region to the Utica check processing region. The amendments will also make other minor corrections to headings in Appendices A and B-2. The amendments become effective October 11, 1994.

ATTACHMENT

A copy of the Board's notice (Federal Reserve System Docket No. R-0847) is attached.

MORE INFORMATION

For more information, please contact Terry Campbell, (214) 922-6603, at the Dallas Office; Eloise Guinn, (915) 521-8201, at the El Paso Office; Luke Richards, (713) 652-1544, at the Houston Office; or Herb Barbee, (210) 978-1402, at the San Antonio Office.

For additional copies of this Bank's notice, please contact the Public Affairs Department at (214) 922-5254.

Sincerely,

A handwritten signature in black ink, reading "Tony J. Salysio". The signature is written in a cursive style with a large, stylized initial "T".

FEDERAL RESERVE SYSTEM
12 CFR Part 229
[Regulation CC; Docket No. R-0847]
Availability of Funds and Collection of Checks

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule; technical amendment.

SUMMARY: The Board is publishing technical amendments to Appendices A and B-2 of Regulation CC. The amendments will conform Appendix A to a realignment in Federal Reserve check processing regions by adding the routing numbers formerly assigned to the Buffalo check processing region to the Utica check processing region. The amendments will also make other minor corrections to headings in Appendices A and B-2.

EFFECTIVE DATE: October 11, 1994.

FOR FURTHER INFORMATION CONTACT: Oliver Ireland, Associate General Counsel (202/452-3625), or Stephanie Martin, Senior Attorney (202/452-3198), Legal Division. For the hearing impaired only: Telecommunications Device for the Deaf, Dorothea Thompson (202/452-3544).

SUPPLEMENTARY INFORMATION: The Board's Regulation CC (12 CFR part 229) implements the Expedited Funds Availability Act (12 U.S.C. 4001 et seq.) and requires banks^{1/} to make funds deposited into transaction accounts available for withdrawal within specified time frames. The Act and regulation allow banks to place longer holds on nonlocal checks than on local checks. A

^{1/}The term bank refers to any depository institution, including commercial banks, savings institutions, and credit unions.

nonlocal check is one for which the paying bank^{2/} is located in a different check processing region than the depository bank. Regulation CC defines "check processing region" as "the geographical area served by an office of a Federal Reserve Bank for purposes of its check-processing activities."^{3/} Appendix A to Regulation CC lists the Federal Reserve check processing offices and the 4-digit routing number prefixes that are local to each office.

Effective October 11, 1994, the Federal Reserve Bank of New York will discontinue check processing at its Buffalo office and incorporate the Buffalo check processing region into the Utica check processing region. This consolidation is part of a larger effort by the Federal Reserve Bank of New York to achieve greater efficiency and cost savings in its check operations by consolidating systems, equipment, and operations. (In 1992 the Federal Reserve Bank of New York transferred its head office check processing operations to its Jericho office. The Board made corresponding changes to Appendix A of Regulation CC at that time. 58 FR 2, January 4, 1993.) Accordingly, the Board has amended the routing number list in Appendix A to reflect the Buffalo-Utica consolidation. The Board has also corrected mislabeled headings in Appendices A and B-2.

^{2/}The paying bank is the bank by, at, or through which a check is payable. The depository bank is the first bank to which a check is transferred.

^{3/}12 CFR § 229.2(m). The Act's definition is substantially similar (12 U.S.C. 4001(9)).

Although the substance of Regulation CC will be unaffected by the amendment to Appendix A, the consolidation of check processing regions may require some banks to adjust their internal procedures. For example, checks deposited in the former Buffalo region will now be considered local checks in the Utica region (and vice versa). Banks that now distinguish between the Buffalo and Utica regions in assigning availability will need to realign their internal operating systems to reflect the consolidation. In addition, banks in the former Buffalo region, now part of the Utica region, will be subject to the reduction of schedules for certain nonlocal checks, as listed in Appendix B-2.^{4/}

Banks also need to reflect any availability policy changes in their disclosures, as the availability for certain checks may be improved. Section 229.18(e) of Regulation CC provides that, in the case of an availability policy change that expedites the availability of funds, a bank shall send a notice of the change to holders of consumer accounts not later than 30 days after implementation.

The amendments adopted by the Board are technical amendments that reflect the realignment of Federal Reserve check processing regions and are required by the statutory and regulatory definitions of "check processing region."

^{4/}Specifically, Appendix B-2 provides that nonlocal checks deposited in the Utica region bearing the 4-digit routing number prefixes "0210" and "0280" must be made available for withdrawal by the third business day following the banking day on which the checks were deposited.

Accordingly, 5 U.S.C. 553(b), requiring public comment, and 5 U.S.C. 553(d), requiring a delayed effective date, do not apply.

Final Regulatory Flexibility Analysis

The amendment will apply to all banks, regardless of size. There is no possible alternative rule for small banks, as "check processing region" is defined by the Expedited Funds Availability Act, which applies to all banks. The amendment will affect only those banks in the current Buffalo and Utica check processing regions that distinguish between checks drawn on paying banks located in those two regions for purposes of assigning availability. The Board expects that the majority of small institutions located in those two regions will be unaffected by the amendment.

List of Subjects in 12 CFR Part 229

Banks, banking, Federal Reserve System, Reporting and recordkeeping requirements.

For the reasons set out in the preamble, 12 CFR part 229 is amended as follows:

1. The authority citation for part 229 continues to read as follows:

AUTHORITY: 12 U.S.C. 4001 et seq.

2. In Appendix A to part 229, under the heading "SECOND FEDERAL RESERVE DISTRICT," the numbers appearing directly under the subheading "Buffalo Branch" are transferred in numerical order under the subheading "Utica Office", the subheading

"Buffalo Branch" is removed, and the subheading "Cranford Office" is revised to read "East Rutherford Office".

3. In Appendix B-2 to part 229, the subheading "Cranford" is revised to read "East Rutherford".

By order of the Board of Governors of the Federal Reserve System, September 19, 1994.

(signed) William W. Wiles



William W. Wiles,
Secretary of the Board.
[FR Doc. 94-00000 Filed 00-00-94; 8:45am]
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