



FEDERAL RESERVE BANK  
OF DALLAS

HELEN E. HOLCOMB  
FIRST VICE PRESIDENT AND  
CHIEF OPERATING OFFICER

July 22, 1996

DALLAS, TEXAS  
75265-5906

**Notice 96-66**

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

**SUBJECT**

**Final 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 of Regulation CC (Availability of Funds and Collection of Checks). The amendments conform the Appendices to a realignment in Federal Reserve check processing regions. The routing numbers formerly assigned to the Jericho check processing region will be added to the East Rutherford check processing region in Appendix A. In addition, the reference in Appendix B to routing numbers formerly assigned to the Jericho Office that were subject to a reduced availability schedule for depository banks in the East Rutherford check processing territory will be eliminated.

**ATTACHMENT**

A copy of the Board's notice as it appears on pages 25389-90, Vol. 61, No. 99, of the *Federal Register* dated May 21, 1996, 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,

*Helen E. Holcomb*

# Rules and Regulations

Federal Register

Vol. 61, No. 99

Tuesday, May 21, 1996

## FEDERAL RESERVE SYSTEM

### 12 CFR Part 229

[Regulation CC; Docket No. R-0925]

#### 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 of Regulation CC. The amendments will conform the Appendices to a realignment in Federal Reserve check-processing regions by adding the routing numbers formerly assigned to the Jericho check-processing region to the East Rutherford check-processing region in Appendix A, and by eliminating the reference to routing numbers formerly assigned to the Jericho office that were subject to a reduced availability schedule for depository banks in the East Rutherford check-processing territory in Appendix B.

**EFFECTIVE DATE:** October 15, 1996.

**FOR FURTHER INFORMATION CONTACT:** Stephanie Martin, Senior Attorney (202/452-3198), or Heather Allison, Attorney (202/452-3565), 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<sup>1</sup> 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 nonlocal check is one for which the paying bank<sup>2</sup> 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."<sup>3</sup> Appendix A of Regulation CC lists the Federal Reserve check-processing offices and the 4-digit routing number prefixes that are local to each office. Appendix B of Regulation CC lists 4-digit routing number prefixes to which reduced availability schedules apply in certain cases.

Effective October 15, 1996, the Federal Reserve Bank of New York will discontinue processing checks at its Jericho office and will incorporate the Jericho check-processing region into the East Rutherford check-processing region. This consolidation is part of a larger effort by the Federal Reserve Bank of New York to achieve greater efficiency in its check operations by consolidating systems, equipment, and operations.<sup>4</sup> Accordingly, the routing number list in Appendix A is being changed to reflect the Jericho-East Rutherford consolidation. The reference in Appendix B to routing numbers formerly assigned to the Jericho office that were subject to a reduced availability schedule for depository banks in the East Rutherford check-processing territory is also being deleted, because those routing numbers are now all "local" with respect to the East Rutherford check-processing territory.

Although the substance of Regulation CC will be unaffected by the amendments to Appendices A and B, the consolidation of check-processing regions may require some banks to

<sup>2</sup> 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.

<sup>3</sup> 12 CFR § 229.2(m). The Act's definition is substantially similar (12 U.S.C. 4001(9)).

<sup>4</sup> 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. Similarly, the Federal Reserve Bank of New York in 1994 discontinued check-processing at its Buffalo office and incorporated the Buffalo check-processing region into the Utica check-processing region. The Board made corresponding changes to Appendices A and B-2 at that time. 59 FR 48789, September 23, 1994.

adjust their internal procedures for assigning funds availability. For example, beginning on October 15, 1996, checks deposited in the former Jericho region will now be considered local checks in the East Rutherford region (and vice versa). Banks that now distinguish between the Jericho and East Rutherford regions in assigning availability will need to realign their internal operating systems to reflect the consolidation.

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." Accordingly, 5 U.S.C. 553(b), requiring public comment, does 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 Jericho and East Rutherford 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:

#### PART 229—[AMENDED]

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

<sup>1</sup> The term *bank* refers to any depository institution, including commercial banks, savings institutions, and credit unions.

**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 "Jericho Office" are transferred in numerical order under the subheading "East Rutherford Office", and the subheading "Jericho Office" is removed.

3. In Appendix B to part 229, the entry for "East Rutherford" is removed.

By order of the Board of Governors of the Federal Reserve System, May 15, 1996.

**William W. Wiles,**

*Secretary of the Board.*

[FR Doc. 96-12683 Filed 5-20-96; 8:45 am]

**BILLING CODE 8210-01-P**