



FEDERAL RESERVE BANK
OF DALLAS

HELEN E. HOLCOMB
FIRST VICE PRESIDENT AND
CHIEF OPERATING OFFICER

August 9, 1996

DALLAS, TEXAS
75265-5906

Notice 96-80

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

SUBJECT

**Depositing Change for Canadian Postal Money Orders
Denominated in U.S. Dollars**

DETAILS

Effective September 9, 1996, Federal Reserve Offices will no longer accept Canadian postal money orders (CPMOs) denominated in U.S. dollars that are commingled with U.S. postal money orders, Treasury checks, other foreign U.S. dollar denominated postal money orders, or mixed cash letters. The reciprocal agreement between the U.S. Postal Service and Canada Post Corporation, which has enabled this clearing arrangement since 1901, has been set aside at the request of Canada Post.

These items will instead be cleared like all other items cashed in the United States that are drawn on Canadian financial institutions. The items can be distinguished from others by the eight digit routing and transit number, 81281-127, which is the routing and transit number for CPMOs. Effective September 9, 1996, these items may be cleared through your local Federal Reserve Office by depositing them in a Canadian cash letter along with other U.S. dollar denominated Canadian checks. Or, they can be cleared through a correspondent bank in the U.S. that has a respondent relationship with a Canadian bank. As a result of this change in the clearing process, the applicable Canadian per-item and cash letter fees will be applied, as will the Canadian item availability.

ATTACHMENT

Attached is a copy of a CPMO.

MORE INFORMATION

For more information on depositing Canadian checks (to include Canadian postal money orders) with this office, please contact Charles Hunter, (214) 922-6543, at the Dallas Office; Jane Pyke, (915) 521-8244, at the El Paso Office; Louis Moore, (713) 652-1581, at the Houston Office; or Martin Ramsey, (210) 978-1500, at the San Antonio Office.

Sincerely,

Helen E. Holcomb

