



FEDERAL RESERVE BANK  
OF DALLAS

HELEN E. HOLCOMB  
FIRST VICE PRESIDENT AND  
CHIEF OPERATING OFFICER

DALLAS, TEXAS  
75265-5906

October 8, 1996

Notice 96-96

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

**SUBJECT**

**Fedwire Third-Party Access Policy**

**DETAILS**

Effective February 2, 1996, the Board of Governors of the Federal Reserve System approved modifications to its Fedwire Third-Party Access Policy. The policy establishes requirements for third-party access arrangements involving a service provider located outside the United States (Foreign Service Provider).

**ENCLOSURE**

Enclosed is a copy of Appendix 3 to Operating Circular 6, *Wire Transfers of Funds*.

**MORE INFORMATION**

For more information, please contact Jane Anne Schmoker at (214) 922-5101. For additional copies of this Bank's notice and Appendix 3 to Operating Circular 6, please contact the Public Affairs Department at (214) 922-5254.

Sincerely,

*Helen E. Holcomb*

**APPENDIX 3**

**WIRE TRANSFERS OF FUNDS AND/OR  
BOOK-ENTRY SECURITIES**

**FEDWIRE THIRD-PARTY ACCESS ARRANGEMENTS**

STATEMENT OF AGREEMENT

1. This Appendix establishes the terms of the agreement under which a depository institution (Participant) holding an account with the Federal Reserve Bank of Dallas (Reserve Bank) may designate a Service Provider (and Pass-Through Service Provider, if applicable, collectively referred to as Service Provider) to perform one or more of the following functions: origination, transmission, and receipt of a funds transfer, to or from the Participant's account, and/or a securities transfer to or from the Participant's securities account. A debit/credit related to the transfer is posted to the account and/or securities account, as the case may be. A Participant or Service Provider engaged in activities covered by this Appendix shall comply with the Policy Statement on Payments System Risk of the Board of Governors of the Federal Reserve System (Board).

DEFINITIONS

2. In this Appendix, the following definitions apply unless the context requires otherwise:
- A. "Account" means the reserve and/or clearing account maintained by the Participant at the Reserve Bank.
  - B. "Affiliated" means that (1) at least 80 percent of the voting stock of both the Participant and its Service Provider is commonly owned, or (2) either the Participant or its Service Provider owns at least 80 percent of the voting stock of the other.
  - C. "Credit limit" means (1) an individual customer transfer limit established for a customer by the Participant and/or (2) a transfer limit established by the Participant for the Participant's own transfers (bank-to-bank transfers).
  - D. "Fedwire" is the system operated by the 12 Federal Reserve Banks for the electronic transfer of funds and book-entry securities.
  - E. "Funds transfer(s)" means a payment order or non-value message originated or received over Fedwire.
  - F. "Gateway" is an electronic connection used to access electronic services in multiple Federal Reserve districts using one physical connection.
  - G. "Gateway Reserve Bank" is the Reserve Bank that maintains the physical Gateway connection with the Service Provider.
  - H. "Securities account" means a book-entry securities account maintained by the Participant at a Reserve Bank.
  - I. "Securities transfer" means a transfer of book-entry securities over Fedwire.
  - J. "Settling Reserve Bank," for purposes of a Gateway arrangement, is the Federal Reserve Bank at which the Participant maintains the account and securities account.
  - K. "Transfer" means a funds transfer or a securities transfer.

APPENDIX 3 (continued)

GENERAL

3. The Participant shall provide to its Reserve Bank a Letter of Authorization containing the information described in Exhibit 1 or Exhibit 1A (Foreign Service Providers) to this Appendix before participating in a third-party access arrangement covered by this Appendix.
4. The Participant may authorize a Service Provider to act as the Participant's agent for initiating, transmitting, and/or receiving a funds transfer of which the Participant is the transferor or transferee. Any such funds transfer sent by the Service Provider is an authentic and fully authorized funds transfer, as if it were sent in writing and signed by a duly authorized officer of the Participant. Notwithstanding the operational routing of any such funds transfer through the Service Provider, the Reserve Bank will make any debit or credit entry relating to the funds transfer to the account. Fedwire funds transfers are subject to the requirements of the Board's Regulation J (12 C.F.R. Part 210, Subpart B) and Operating Circular 6 (*Wire Transfers of Funds*) and Operating Circular 16 (*Electronic Access*). Terms defined in Subpart B of Regulation J have the same meaning when used in this Appendix.
5. The Participant may also authorize the Service Provider to act as the Participant's agent for initiating, transmitting, and/or receiving a securities transfer to or from the securities account, if the requirements of this Appendix have been complied with. Any debit or credit with respect to a securities transfer will be made to the account. Any securities transferred from or received for the Participant will be debited or credited, as the case may be, to the securities account. The provisions of Operating Circular 14 (*Book-Entry Securities Account Maintenance and Transfer Services*) apply to securities transfer third-party access arrangements.

RESPONSIBILITIES OF THE PARTICIPANT

6. The Participant shall ensure that the Service Provider complies with the provisions of this Appendix and any other relevant operating circular(s) of the Reserve Bank, as well as any policy or regulation of the Board with respect to the wire transfer of funds, book-entry securities, electronic access, and payments system risk. However, the use of a third-party access arrangement, and the provision of these services by the Service Provider to the Participant, shall in no way affect or diminish any obligation or duty of the Participant to the Reserve Bank.
7. The Participant shall retain full responsibility for management of its account with respect to both its intraday and overnight positions. Any overdraft incurred is a binding obligation of the Participant to the Reserve Bank. During the business day, the Participant shall timely monitor funds and/or securities transfer activity handled for it by a Service Provider.
8. The Participant shall maintain an adequate audit program to review any third-party access arrangement at least annually. The audit program should include a review of and a determination whether the transactions handled by a Service Provider meet the requirements set forth in this Appendix.
9. The Participant shall maintain adequate backup facilities and procedures to process transfers in case of an operating outage or other development affecting the adequacy of the service. The contingency backup requirement can be met through backup procedures and facilities provided either by the Service Provider or the Participant. The Participant is not relieved of this responsibility because it contracts with a Service Provider.
10. If the Service Provider is not affiliated with the Participant, the Participant must be able to process transfers if the Participant is unable to continue operating under the third-party access arrangement (for example, if the Reserve Bank or the Participant's primary supervisor terminates the third-party access arrangement). This backup requirement can be satisfied (a) by retaining the capability to perform the functions internally that have been delegated to the Service Provider; (b) by making arrangements with an alternate Service Provider to take over

**APPENDIX 3** *(continued)*

these functions in the event that the arrangement must be terminated; or (c) by another means acceptable to the Reserve Bank.

11. If a backup arrangement involves a Substitute Service Provider, that Substitute Service Provider must have agreed to the terms of this Appendix.

APPROVAL OF INDIVIDUAL TRANSFERS/CREDIT LIMITS

12. A transfer sent by the Service Provider on behalf of the Participant shall either (a) be individually authorized and approved by the Participant or (b) be sent by the Service Provider against a credit limit that has been approved by the Participant and communicated to the Service Provider. The Participant shall periodically review the appropriateness of the established credit limits.

13. Where the Participant uses a Service Provider but does not individually authorize and approve each transfer, the Service Provider must have procedures in place and the operational capability to ensure that a funds transfer that would exceed the established credit limit is not permitted without first obtaining the Participant's specific authorization. In the case of a securities transfer, the Service Provider must have the operational capability and procedures in place to reverse an incoming securities transfer that exceeds an established credit limit, unless the Service Provider notifies the Participant of the incoming securities transfer and the Participant expressly directs the Service Provider not to reverse the securities transfer.

AUTHORIZATION FOR THIRD-PARTY ACCESS ARRANGEMENT

14. The Participant's board of directors shall authorize the role and responsibilities of an unaffiliated Service Provider (see Exhibit 2 to this Appendix for an acceptable model). In third-party access arrangements using credit limits, the Participant's board of directors shall approve (a) the intraday overdraft limit for the activity to be processed by the Service Provider (see the Federal Reserve's Guide to the Payment System Risk Policy for acceptable models) and (b) the credit limits for any inter-affiliate funds transfer (see Exhibit 3 to this Appendix for an acceptable model).

15. If the Participant is a U.S. branch of a foreign bank whose board of directors has a more limited role in the bank's management than a U.S. board, the role and responsibilities of the Service Provider should be reviewed by senior management at the foreign bank's head office that exercises authority over the foreign bank equivalent to the authority exercised by a board of directors over a U.S. depository institution. Senior management of this head office should make the approvals required by paragraph 14.

16. The third-party access arrangement must be consistent with the principles of corporate separateness and must not violate any state or federal law restrictions on branching.

GATEWAY ARRANGEMENT

17. In any Gateway arrangement, the Gateway Reserve Bank shall establish procedures for maintenance of the Gateway connection. The Gateway Reserve Bank's procedures shall be provided to each Service Provider and Participant using the Gateway arrangement. The Service Provider shall comply with the Gateway Reserve Bank's procedures governing maintenance of the Gateway connection. The Participant and Service Provider shall comply with the settling Reserve Bank's requirements related to any other matters involving the third-party access arrangement.

18. The law of the state in which the settling Reserve Bank is located shall apply to a Gateway arrangement.

APPENDIX 3 (continued)

MISCELLANEOUS PROVISIONS

19. The Service Provider must demonstrate the capability to separate transfers sent or received by the Service Provider as the Participant's agent from other transfers sent or received by the Service Provider for itself or for any other Participant.
20. The initiation, transmission, or receipt of a transfer by the Service Provider constitutes the initiation, transmission, or receipt of the transfer by the Participant for purposes of authorizing the Reserve Bank to debit or credit the account or securities account, as the case may be.
21. A Service Provider participating in an arrangement subject to this Appendix shall be subject to examination by the appropriate federal depository institution regulatory agency(ies).
22. If the Participant and the Service Provider **are not** affiliates and the Service Provider is located within the United States, the Participant and the Service Provider each warrant that the Service Provider is (a) a depository institution or (b) an independent company subject to examination pursuant to the Bank Service Corporation Act (12 U.S.C. § 1876), by virtue of providing bank services.
23. The Participant shall obtain and upon request submit to the Reserve Bank a written affirmation from its primary supervisor(s) that the supervisor(s) does not object to the third-party access arrangement.
24. A Service Provider, whether or not affiliated with the Participant, shall
  - A. initiate, transmit, and receive a transfer without altering the terms of the transfer, unless the alteration was previously approved by the Participant;
  - B. verify the completeness and acceptability of each transfer instruction; and
  - C. initiate or input and release each transfer instruction as directed by the Participant.

ADDITIONAL REQUIREMENTS FOR ARRANGEMENTS INVOLVING FOREIGN SERVICE PROVIDERS

25. In addition to all other relevant terms stated in this Appendix:
  - A. A Participant that wants to establish an arrangement involving a Service Provider located outside the United States ("Foreign Service Provider") shall comply with the additional terms listed in paragraphs 25B through 25E.
  - B. The Participant and the Foreign Service Provider shall maintain an adequate audit program that addresses Fedwire operations. Such program shall assess, at least on an annual basis, the sufficiency of internal and data security controls, credit-granting processes, operational procedures, contingency arrangements, and compliance with applicable laws and regulations. Audit reports shall be available, in English, to the Reserve Bank and the Participant's primary U.S. supervisor(s).
  - C. The Participant and the Foreign Service Provider shall make all policies, procedures, and other documentation relating to Fedwire operations, including those related to internal controls and data security requirements, available to the Reserve Bank and the Participant's primary U.S. supervisor(s) in English.
  - D. The Foreign Service Provider shall be subject to the supervision of a home/host country bank supervisor.



**APPENDIX 3** *(continued)*

- E. The Participant and the Foreign Service Provider shall permit the Participant's primary U.S. supervisor(s) to conduct an on-site review of the Fedwire operations at the Foreign Service Provider at any time upon reasonable notice.

INDEMNIFICATION

26. The Participant and the Service Provider shall defend, indemnify, and hold this Bank harmless against any claim, loss, cost, or expense—including, but not limited to, attorneys' fees and expenses of litigation—resulting from the third-party access arrangement or the acts or omissions of either the Participant or the Service Provider or their agents, except for any claim, loss, cost, or expense arising solely out of the Reserve Bank's failure to exercise ordinary care.

TERMINATION

27. The Service Provider may terminate its participation in a third-party access arrangement by giving 30 days' prior written notice to the Reserve Bank and the other party(ies). The Participant may terminate its participation in a third-party access arrangement at any time, provided the Participant has an alternative processing arrangement in place and prior written notice is given to the Reserve Bank and the other party(ies). The Reserve Bank reserves the right, without prior notice, to terminate any arrangement covered by this Appendix.

GOVERNING LAW

28. Except as otherwise provided in paragraph 17 relating to a Gateway arrangement, the terms of this Appendix shall be construed according to and governed by federal law, and the law of the state of Texas to the extent such law is not inconsistent with federal law.

29. The provisions of this Appendix are binding on the legal representatives, successors, and assigns of the parties to a third-party access arrangement.

AMENDMENT

30. The Reserve Bank reserves the right to amend the provisions of this Appendix at any time without notice. However, the Reserve Bank will attempt to give at least 30 calendar days' prior notice of any amendment.

# EXHIBIT 1<sup>1</sup>

## LETTER OF AUTHORIZATION

(Date)

Federal Reserve Bank of Dallas  
2200 North Pearl Street  
Dallas, Texas 75201

Attention: Manager  
[Transfer of Funds Division, Securities Department  
and/or Securities Division, Securities Department]

We agree to the terms in Appendix 3 to the Reserve Bank's Operating Circular 6 and have complied with all of its prerequisites to establish a third-party access arrangement with respect to *[wire transfers of funds and/or book-entry securities transfers]*. The third-party access arrangement is more fully described as follows: *[Describe how transfers will be handled for the Participant by each Service Provider, including procedures to ensure that a Service Provider cannot permit or initiate a transfer that would exceed an individual customer credit limit without first obtaining the Participant's permission; a description of the Service Provider's operational capability to ensure that the aggregate transfer activity of the Participant does not result in a daylight overdraft over the Participant's cap; procedures and backup facilities adequate to cover equipment failure or termination of the Service Provider arrangement; and procedures by which the Participant will monitor transfers being made on its behalf].*

*[Name of Service Provider and Substitute or Pass-through Service Provider]*, the Service Provider(s), *[is(are)/is not(are not)]* an affiliate of this depository institution, as defined in Appendix 3 to Operating Circular 6.<sup>2</sup> *[If the Service Provider(s) is(are) not affiliated with the Participant, note the date on which Participant's board of directors approved the role and responsibilities of the Service Provider with respect to this third-party access arrangement.] [If the third-party access arrangement involves the use of credit limits and board of director approval is required pursuant to paragraph 14 of Appendix 3, note the date on which the Participant's board of directors approved the credit limit(s).]*

The Service Provider(s) shall act as the Participant's agent(s) for the purpose of initiating, transmitting, and receiving transfers where the Participant is the transferor or transferee. Any such transfer constitutes an authentic and fully authorized transfer, as if it were sent in writing and signed by a duly authorized officer of the Participant.

This third-party access arrangement will allow *[name of Participant]* to comply with all applicable state and federal laws and regulations governing the arrangement, including retaining and making accessible records in accordance with the regulations adopted under the Bank Secrecy Act.

This third-party access arrangement is consistent with the principles of corporate separateness and does not violate any state or federal law restrictions on branching.

The Service Provider may terminate this Agreement by giving 30 days' prior written or telegraphic notice to the Participant and the manager of the Reserve Bank's Transfer of Funds Division, and/or Securities Division if book-entry securities transfers are conducted under this arrangement. The Participant may terminate this Agreement at any time by written or telegraphic notice to the Service Provider and to the manager of the Reserve Bank's Transfer of Funds Division, and/or Securities Division, if applicable, which notice shall be effective as soon as an alternative processing arrangement is in place.

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<sup>1</sup>To be typed on the letterhead of the depository institution holding the account.

<sup>2</sup>Specify here whether each Service Provider is or is not an affiliate of the institution.

**EXHIBIT 1** *(continued)*

*[Name of Participant]*

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*[Name of Pass-through Service Provider]*

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*[Name of Service Provider]*

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*[Name of Substitute Service Provider]*

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## EXHIBIT 1A<sup>1</sup>

**[For use in arrangements involving a Service Provider  
located outside the United States]**

### LETTER OF AUTHORIZATION

**(Date)**

Federal Reserve Bank of Dallas  
2200 North Pearl Street  
Dallas, Texas 75201

Attention: Manager  
*[Transfer of Funds Division, Securities Department  
and/or Securities Division, Securities Department]*

We agree to the terms in Appendix 3 to your Operating Circular 6 and have complied with all of its prerequisites to establish a third-party access arrangement with respect to *[wire transfers of funds and/or book-entry securities transfers]*. The third-party access arrangement is more fully described as follows: *[Describe how transfers will be handled for the Participant by each Service Provider, including procedures to ensure that a Service Provider cannot permit or initiate a transfer that would exceed an individual customer credit limit without first obtaining the Participant's permission; a description of the Service Provider's operational capability to ensure that the aggregate transfer activity of the Participant does not result in a daylight overdraft over the Participant's cap; procedures and backup facilities adequate to cover equipment failure or termination of the Service Provider arrangement; and procedures by which the Participant will monitor transfers being made on its behalf].*

*[Insert name of Service Provider and Substitute or Pass-through Service Provider]*, the Service Provider(s), *[is (are)/is not (are not) an affiliate of this depository institution, as defined in Appendix 3 to Operating Circular 6].*<sup>2</sup> *[If the Service Provider(s) is (are) not affiliated with the Participant, note the date on which Participant's board of directors approved the role and responsibilities of the Service Provider with respect to this third-party access arrangement.]*<sup>3</sup> *[If the third-party access arrangement involves the use of credit limits and board of director approval is required pursuant to Paragraph 14 of the Appendix, note the date on which the Participant's board of directors approved the credit limit(s).]*

*[Insert name of Service Provider and Substitute or Pass-through Service Provider]*, is (are) located in *[insert name of the country in which the Service Provider is located]* and organized under the laws of *[insert name of the country where Service Provider is incorporated or organized]*. *[Service Provider]* is subject to supervision by *[name of banking institution or organization which is responsible for the supervision and regulation of the Service Provider.]* We understand that approval of this third-party access arrangement is contingent upon a determination by the Reserve Bank and the Board of Governors of the Federal Reserve System that the *[Service Provider]'s* home/host country supervision is sufficiently comprehensive.

The Service Provider(s) shall act as the Participant's agent(s) for the purpose of initiating, transmitting, and receiving transfers where the Participant is the transferor or transferee. Any such transfer constitutes an authentic and fully authorized transfer as if it were sent in a writing signed by a duly authorized officer of the Participant.

<sup>1</sup>To be typed on the letterhead of the depository institution holding the account.

<sup>2</sup>Include here information concerning whether each Service Provider is or is not an affiliate of the institution.

<sup>3</sup>In cases where a U.S. branch of a foreign bank wishes to be a Participant and its board of directors has a more limited role in the bank's management than a U.S. board, the roles and responsibilities of the Service Provider should be reviewed by senior management at the foreign bank's head office that exercises authority over the foreign bank equivalent to the authority exercised by a board of directors over a U.S. depository institution.

**EXHIBIT 1A** (continued)

This third-party access arrangement will allow [name of Participant] to comply with all applicable State and Federal laws and regulations governing it, including retaining and making accessible records in accordance with the Bank Secrecy Act and the regulations promulgated thereunder. We agree to make available to you and [name of Participant's primary U.S. supervisor], in English, all policies, procedures, and other documentation relating to Fedwire operations, including those related to internal controls and data security requirements. We further agree to permit [name of Participant's primary U.S. supervisor] to conduct on-site reviews of the Fedwire operations at [name of Service Provider]. We understand that approval of this third-party access arrangement is also conditioned upon your review of both [Participant]'s and [Service Provider]'s Fedwire policies and procedures, as well as [Service Provider]'s Fedwire-related operations.

This third-party access arrangement is consistent with the principles of corporate separateness and does not violate any State or Federal law restrictions on branching.

The Service Provider(s) may terminate the Agreement by written or telegraphic notice to the Participant and to the Manager of your Funds Transfer Department and/or your Securities Department if book-entry securities transfers are conducted under this arrangement, which notice shall be effective thirty (30) days after receipt. The Participant may terminate the Agreement at any time by written or telegraphic notice to the Service Provider(s) and to the Manager of your Funds Transfer Department and/or your Securities Department if book-entry securities transfers are conducted under this arrangement, which notice shall be effective as soon as an alternative processing arrangement is in place.

[Name of Participant]

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

[Name of Service Provider]

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

[Name of Pass-through Service Provider]

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

[Name of Substitute Service Provider]

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## EXHIBIT 2<sup>1</sup>

### MODEL RESOLUTION AUTHORIZING OPERATIONAL RELOCATION OF WIRE TRANSFER OF FUNDS AND/OR BOOK-ENTRY SECURITIES ACTIVITY TO A SERVICE PROVIDER

The following resolutions were duly adopted at a meeting of the [*type of governing body, e.g., board of directors*] of the [*official name of institution*] (Participant), duly authorized and existing under the laws of \_\_\_\_\_, which meeting was duly called and held on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, at which meeting a quorum was present, and that these resolutions are now in full force and effect and are not in conflict with any provisions in the certificate of incorporation or bylaws of the Participant, or with applicable law.

1. RESOLVED, that [*title of authorized officers*] of the Participant, and their successors in office, be, and any [*appropriate number*] of them, is/are authorized to enter into an arrangement with [*name of Service Provider and Pass-through Service Provider, as applicable*] (Service Provider(s)) and the Federal Reserve Bank of Dallas (Reserve Bank), by which the Service Provider(s) may on behalf of the Participant [*originate and/or receive a funds transfer from or to the Participant's reserve and/or clearing account*] and/or [*order the transfer of book-entry securities held in the Participant's book-entry securities accounts and/or accept delivery of book-entry securities into the Participant's book-entry securities accounts*].
2. RESOLVED, that the Participant shall defend, indemnify, and hold the Reserve Bank harmless from any claim, loss, or expense (including, but not limited to, attorney's fees and litigation costs) arising out of or resulting from the Reserve Bank's handling of funds and/or securities transfers under this arrangement, other than loss or expense caused solely by the failure of the Reserve Bank to exercise ordinary care.
3. RESOLVED, that the Reserve Bank is authorized to debit/credit the Participant's reserve and/or clearing account at the Reserve Bank according to instructions received from the Service Provider(s), even if a debit associated with a transfer of [*funds or book-entry securities*] results in an overdraft in the Participant's reserve and/or clearing account. Should any debit to the Participant's reserve and/or clearing account result in an overdraft, the Participant is hereby authorized to incur the indebtedness and shall be indebted to the Reserve Bank for the overdraft.
4. RESOLVED, that as a part of this arrangement, the Service Provider(s) must agree that [*it(they) will not send to the Reserve Bank any transfer of funds or book-entry securities that has not been individually authorized and approved by the Participant*] or [*it(they) will not send to the Reserve Bank any transfer that would exceed the limits adopted by the Participant from time to time and communicated to the Service Provider(s)*].<sup>2</sup>
5. RESOLVED, that these resolutions and all of the powers and authorizations hereby granted or confirmed shall continue in full force and effect until written notice of their revocation is given to and received by the Reserve Bank.

<sup>1</sup>This exhibit provides an example of board of director approval that would satisfy the approval requirement set forth in Paragraph 14. A Participant is not required to submit this resolution nor is a Participant required to use this resolution to obtain board of director approval.

<sup>2</sup>The limits referred to include the sender net debit cap and specific limits on transfers to affiliates, and the specific customer credit limits. The sender net debit caps and limits on transfers to affiliates must be approved by the board of directors in other resolutions. The customer credit limits may be adopted by the board or may be established under the institution's ordinary procedures for establishing credit limits.

**EXHIBIT 2** *(continued)*

IN WITNESS WHEREOF, I have hereunder subscribed my name.

DATED: \_\_\_\_\_, 19\_\_\_\_\_.

\_\_\_\_\_  
[Signature of certifying official]

\_\_\_\_\_  
[Name and title]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup>Cashier/comptroller/secretary.

## EXHIBIT 3<sup>1</sup>

### MODEL RESOLUTION—INTER-AFFILIATE TRANSFERS

The following resolutions were duly adopted at a meeting of the [type of governing body, e.g., board of directors or trustees] of the [official name of Participant] (Participant), duly authorized and existing under the laws of \_\_\_\_\_, which meeting was held on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, and that these resolutions are now in full force and effect and are not in conflict with any provisions in the certificate of incorporation or bylaws of the Participant, or with applicable law.

RESOLVED, that whenever, during the business day of the Federal Reserve Bank of Dallas (Reserve Bank), the Participant fails to maintain a balance of funds in its account at the Reserve Bank sufficient to cover the amounts of funds transfers, or other debits charged to that deposit account, the Participant shall be indebted to the Reserve Bank to the extent that the balance of such account is negative, and that the Participant is hereby authorized to incur such indebtedness.

RESOLVED, that the Participant is authorized to extend credit during the day to [name of affiliate] by transferring to [name of affiliate]'s account at the Reserve Bank. The aggregate amount of the credit that may be extended to [name of affiliate] on any day shall not exceed an amount equal to the entire balance of funds in the Participant's account at the Reserve Bank, plus an amount that is not greater than the Participant's net debit cap adopted by the Participant and approved by the Reserve Bank under the policy regarding risks on payment systems adopted by the Board of Governors of the Federal Reserve System, and reduced by the amount of any outstanding indebtedness of the Participant to the Reserve Bank.

RESOLVED, that these resolutions and all of the powers and authorizations hereby granted or confirmed shall continue in full force and effect until written notice of their revocation is given to and received by the Reserve Bank or for one year, whichever occurs earlier.

IN WITNESS WHEREOF, I have hereunder subscribed my name.

DATED: \_\_\_\_\_, 19\_\_\_\_\_.

\_\_\_\_\_  
[Signature of certifying official]

\_\_\_\_\_  
[Name and title]

<sup>1</sup>This exhibit provides an example of board of director approval that would satisfy the approval requirement set forth in Paragraph 14. A Participant is not required to submit this resolution nor is a Participant required to use this resolution to obtain board of director approval.