



FEDERAL RESERVE BANK
OF DALLAS

HELEN E. HOLCOMB
FIRST VICE PRESIDENT AND
CHIEF OPERATING OFFICER

DALLAS, TEXAS
75265-5906

May 19, 1997

Notice 97-47

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

SUBJECT

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

DETAILS

The Board of Governors of the Federal Reserve System has issued final technical amendments to Appendix A of Regulation CC (Availability of Funds and Collection of Checks). The amendments conform Appendix A to a realignment in Federal Reserve check-processing regions by adding the First District routing numbers formerly assigned to the Lewiston check-processing region to the Boston Head Office.

ATTACHMENT

A copy of the Board's notice as it appears on pages 26220-21, Vol. 62, No. 92, of the *Federal Register* dated May 13, 1997, 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

For additional copies, bankers and others are encouraged to use one of the following toll-free numbers in contacting the Federal Reserve Bank of Dallas: Dallas Office (800) 333-4460; El Paso Branch *Intrastate* (800) 592-1631, *Interstate* (800) 351-1012; Houston Branch *Intrastate* (800) 392-4162, *Interstate* (800) 221-0363; San Antonio Branch *Intrastate* (800) 292-5810.

FEDERAL RESERVE SYSTEM**12 CFR Part 229****[Reg. CC; Docket No. R-0970]****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 Appendix A of Regulation CC. The amendments will conform Appendix A to a realignment in Federal Reserve check-processing regions by adding the First District routing numbers formerly assigned to the Lewiston check-processing region to the Boston Head Office.

EFFECTIVE DATE: October 27, 1997.

FOR FURTHER INFORMATION CONTACT: Stephanie Martin, Senior Attorney (202/452-3198), or Heatherun Allison, Attorney (202/452-3565), Legal Division. For the hearing impaired *only*: Telecommunications Device for the Deaf, Diane Jenkins (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.*) (the Act) and requires banks,¹ *inter alia*, 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 bank² is located in a different check-processing region than the depository bank. Regulation CC defines "check-

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

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.

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 of Regulation CC lists the Federal Reserve check-processing offices and the 4-digit routing number prefixes that are local to each office.

Effective October 27, 1997, the Federal Reserve Bank of Boston will discontinue processing checks at its Lewiston, Maine, regional check-processing center and incorporate the Lewiston check-processing region into its Head Office check-processing region. This consolidation results from the determination by the Federal Reserve Bank of Boston that it can process the majority of checks handled by the Lewiston check-processing region more efficiently and cost-effectively through its Head Office. Accordingly, the Board has revised the routing number list in Appendix A to reflect the Lewiston-Head Office consolidation, effective October 27, 1997.

Although the substance of Regulation CC will be unaffected by the amendments to Appendix A, the consolidation of check-processing regions may require some banks to adjust their internal procedures for assigning funds availability. For example, checks deposited in the former Lewiston region will now be considered local checks in the Head Office region (and vice versa). Banks that now distinguish between the Lewiston and Head Office regions in assigning availability will need to realign their internal operating systems to reflect the consolidation. These banks also will 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 First District in the current Lewiston and Head Office 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.*

Appendix A to Part 229 [Amended]

2. In Appendix A to part 229, under the heading "FIRST FEDERAL RESERVE DISTRICT," the numbers appearing directly under the subheading "Lewiston Office" are transferred in numerical order under the subheading "Head Office", and the subheading "Lewiston Office" is removed.

By order of the Board of Governors of the Federal Reserve System, May 7, 1997.

William W. Wiles,

Secretary of the Board.

[FR Doc. 97-12442 Filed 5-12-97; 8:45 am]

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