



FEDERAL RESERVE BANK
OF DALLAS

HELEN E. HOLCOMB
FIRST VICE PRESIDENT AND
CHIEF OPERATING OFFICER

DALLAS, TEXAS
75265-5906

August 16, 2002

Notice 02-43

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

SUBJECT

**New Deposit Option Available
to Financial Institutions**

DETAILS

Effective September 15, 2002, the Federal Reserve Bank of Dallas will offer an explicit float pricing option on Other Fed and Mixed forward and return cash letter deposits. Financial institutions subscribing to Federal Reserve Bank Other Fed and Mixed products will have the option to choose explicit float pricing or continue receiving calculated funds availability.

Explicit float pricing offers financial institutions many benefits, including:

- 100 percent availability of deposit;
- simplified daily accounting with a single entry for the entire deposit; and
- application to both forward and return Mixed items and Other Fed items.

Financial institutions participating in the explicit float pricing option will be billed monthly for the float charge—reduced by 10 percent—at the Federal Reserve Bank of New York federal funds rate.

To ensure a smooth transition to this pricing option, institutions that choose explicit float will be phased in gradually throughout the remainder of 2002. Implementations will begin approximately two weeks after the Federal Reserve Bank receives the request forms for explicit pricing, which will take place the first and third Monday of each month.

MORE INFORMATION

For more information on explicit float pricing, please contact one of the representatives listed below.

Dallas	Jim McCammon	(214) 922-5491
	Susan Vice	(214) 922-5430
El Paso	Lupe Edens	(915) 521-8248
Houston	Michele Hitchings	(713) 652-9141
	Kathy Waggoner	(713) 652-9146
San Antonio	Rick Flansburg	(210) 978-1661

Paper copies of this notice or previous Federal Reserve Bank notices can be printed from our web site at <http://www.dallasfed.org/banking/notices/index.html>.

Sincerely,

Helen E. Holcomb