



FEDERAL RESERVE BANK OF DALLAS

2200 N. PEARL ST.

DALLAS, TX 75201-2272

HELEN E. HOLCOMB
FIRST VICE PRESIDENT AND
CHIEF OPERATING OFFICER

January 18, 2005

Notice 05-05

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

SUBJECT

Check Adjustment Changes and Enhancements

DETAILS

We want to inform you of an upcoming change in our minimum adjustment submission level, share information about some customer-driven enhancements to our Check Adjustments Application accessed via FedLine® Web, and provide clarification regarding the use of the new Check 21-related investigation types.

Change in Minimum Check Adjustment Submission Level

Effective February 14, 2005, the Federal Reserve Banks will be increasing the minimum check adjustment submission level from \$15.01 to \$25.01. This change is consistent with industry practices and more accurately reflects the costs of adjustment processing. Adjustment requests for \$25 or less received after close of business Friday, February 11, 2005, will be returned to the requestor without entry.

Enhancements to Check Adjustments Application Accessed Via FedLine Web

We are pleased to announce that several customer-driven enhancements to the Check Adjustments Application will be introduced middle of first quarter 2005. While the look and feel of the application will change, all existing functionality will remain. Several new features will be introduced, including the ability for an institution to filter messages in the inbox and outbox based on dollar amount, product type, message type, and other criteria, and customize the type and location of information that appears on the screen. In addition, the application will incorporate more efficient tools for users to review and act upon multiple messages.

More detailed information on these enhancements will be provided later this month. If you currently do not subscribe to the Check Adjustments Application via FedLine Web and would like more information about the application, please visit www.frbservices.org.

Clarification Regarding Use of New Check 21 Investigation Types

In October, in conjunction with the implementation of Check 21, we announced five new investigation types created to address problems that may occur during the collection of forward and return image cash letters and substitute checks. Based on our experience with the use of the new investigation types to date, you may find the following reminders/clarifications helpful:

- Please use the Request for Original or Sufficient Copy (OSCR) investigation type only if the item was presented/returned in an image cash letter or image return letter or as a substitute check. Requests for photocopies of other items should be submitted using the Photocopy Request (PREQ) investigation type.
- Institutions should request a credit adjustment using the Photo and Original Paid (PAID) investigation type if they receive (i) both an original check and a substitute check associated with the same transaction; (ii) a photocopy and a substitute check of the same item; or (iii) duplicate substitute checks. Alternatively, institutions may request credit by submitting a Check 21 Warranty/Indemnity Claim (WIC) or an Expedited Recredit Claim (EXRC), if the submission criteria are met for the respective investigation type.

We appreciate your business and look forward to working with you this year.

MORE INFORMATION

Should you have any questions or need additional information, please contact our customer support staff at 1-800-333-1715.

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

Sincerely,

