

Federal Reserve Notes

Federal Reserve Bank of San Francisco • July 1984

Serving Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Utah, & Washington

POLICY DEVELOPMENTS

Non-Standard Holiday Float

Procedures for recovering non-standard holiday float have been established by the San Francisco Bank and took effect July 1, 1984. Non-standard holidays are specific holidays on which the Reserve Office is open, but on which some or all of the depository institutions in its territory are closed.

Direct and consolidated depositors will be charged specifically for the float incurred on items drawn on paying banks that are closed on a designated non-standard holiday.

Mixed and other Fed deposits that contain items drawn on institutions closed for designated non-standard holidays will receive deferred credit on those items.

For further information, including a list of non-standard holidays, please contact the Check Officer at your local Federal Reserve Office.

Modified High Dollar Group Sort

On April 23, 1984, the Federal Reserve System implemented a new service, known as the High Dollar Group Sort (HDGS), to accelerate the collection of checks. The program offers depository institutions opportunities to obtain better availability on checks drawn on certain institutions not in Reserve Bank cities, and to reduce their total costs incurred in collecting these checks. Since then, the Fed has made a number of modifications including revising HDGS deposit deadlines at certain Reserve offices.

The most recent modifications took effect July 23, 1984. They included several new presentment points, a small number of changes in fees and deadlines, a reduction in the minimum dollar amount for notification of rejected items, and a change in the operation of the service on Monday mornings. There are, however, no changes in the Twelfth District's presentment points, prices or deposit deadlines.

For further information, please contact the Check Officer in the Federal Reserve office serving your institution: Douglas Knudsen in San Francisco at (415) 974-2069; Ross Ashman in Los Angeles at (213) 683-8351; Dean Gonnerman in Portland at (503) 221-5903; Robert Richards in Salt Lake City at (801) 322-7887; Edward Bonheur in Seattle at (206) 442-5105.

REGULATIONS AND OPERATIONS UPDATE

Regulation L — Interlocking Bank Directorates

The Federal Reserve Board has amended Regulation L to make it conform to recent legislation that deleted from the Depository Institutions Management Interlocks Act all references to "Standard Metropolitan Statistical Areas." The Board substituted the new classifications now in use by the Federal Office of Management and Budget. All other regulators of depository institutions have similarly amended their regulations.

The text of the Federal Register notice is available from our Corporate Services Department at (415) 974-2752. For further information, please contact Robert Johnston in Supervision, Regulation and Credit at (415) 974-2352.

New List of OTC Stocks

A new list of over-the-counter (OTC) stocks subject to the Federal Reserve Board's margin regulations took effect June 18, 1984. The new list supersedes previous lists and amendments. For further information, please contact David Vandre in Consumer Affairs at (415) 974-2965.

FOR PUBLIC COMMENT

Regulation K — International Banking

The Federal Reserve Board requests comment by **September 12, 1984**, on proposed revisions to Regulation K concerning chiefly the international operations of U.S. banking organizations. The proposed revisions are intended to ensure that Edge and Agreement Corporations are competitive under prevailing economic conditions and banking practices. As such, the proposals deal with activities allowed Edge Corporations within the U.S., procedures for approval of investments by Edge Corporations, and procedures with respect to change of control of Edge Corporations.

For further information, please contact Rodney Reid in Supervision, Regulation and Credit at (415) 974-2266.

Reducing Risk in Large-Dollar Wire Transfers

In April, 1984, the Federal Reserve Board requested comment on a wide variety of measures to reduce risk in the operations of large-dollar wire transfer systems. The original deadline for comment was July 17, 1984. The comment period has been extended to **October 29, 1984**. For further information, please contact John Carson, Senior Vice President at (415) 974-2131.

Fractional Availability Crediting

The Board is requesting comment by **September 7, 1984**, on a proposal to modify or eliminate the "Fractional Availability Crediting" option for the recovery of interterritory check float. Pending a final decision, no institutions will be allowed to begin using the option. For further information, please contact Doug Knudsen in Check Services at (415) 974-2069.