

# Federal Reserve Notes

Federal Reserve Bank of San Francisco • August 1985

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## NEW PRODUCTS

### FedLine UpDate Statement of Account

On July 15, the Federal Reserve Bank of San Francisco introduced a new FedLine product that makes statement of account information available to most depository institutions via microcomputer. Currently, institutions receive this information on magnetic tape.

The new product is called "FedLine UpDate Statements" and permits institutions to receive their previous day's statement of account through a FedLine microcomputer (or one compatible with this Reserve Bank's technical specifications) simply by dialing the Reserve Bank any time after 7:00 a.m. Information will be available in summary format, but due to extensive communications costs, detailed information will not be available to institutions with more than 500 transactions on their statement of account.

If you are interested in the new FedLine UpDate Statements product, please contact the Financial Services Officer at your Federal Reserve Branch. Beginning September 1, 1985, customers choosing to receive Statement of Account information on magnetic tape will be charged \$50/month for the service. FedLine UpDate Statements will cost \$45/month (or \$60/month for both UpDate Statements and UpDate Checks).

### New ACH Options

As part of the Federal Reserve's continuing commitment to providing the highest possible quality Automated Clearing House (ACH) service, three new electronic access options will be offered starting in the fourth quarter of 1985: ACH FedLine, FedCom, and Computer Interface.

**ACH FedLine** is a microcomputer-based service that can be used to send automated returns and originate or receive ACH transactions.

**FedCom** is software for an IBM AT or System/36 computer that allows information to be passed electronically from an institution's in-house ACH system to the Federal Reserve.

**Computer Interface** consists of specifications that allow an institution to develop its ACH system so it can communicate directly with the Federal Reserve.

For further information, and a bulletin describing these new ACH Electronic Access options, please call:

|                  |                |                |
|------------------|----------------|----------------|
| Peter Homes      | San Francisco  | (415) 974-2876 |
| Mary E. Martin   | Los Angeles    | (213) 683-8318 |
| Susan Robertson  | Portland       | (503) 221-5909 |
| Andrea Wolcott   | Salt Lake City | (801) 322-7927 |
| William Ferensen | Seattle        | (206) 442-2754 |

## FOR PUBLIC COMMENT

### Reducing Risk in Large-Dollar Wire Transfer Systems

The Federal Reserve Board has extended the comment period on its proposal regarding risks arising from the transfer of book-entry securities on Fedwire (Docket No. R-0515A), as well as on its proposals regarding automated clearing house (Docket No. R-0515B) and net settlement arrangements (Docket No. R-0515C).

The comment period has been extended for 45 days, from August 15 to **September 30, 1985**.

Copies of the Board's notices are available from Corporate Services at (415) 974-2752. For further information, please contact Sharon Reisdorf in Accounting at (415) 974-2688.

## REGULATIONS AND OPERATIONS UPDATE

### Regulations G & T

Effective July 22, 1985, the Federal Reserve Board amended Regulation G – Securities Credit by Persons Other than Banks, Brokers or Dealers, to permit those governed by the regulation, including savings and loan associations, insurance companies, and finance companies, to extend credit to employee stock option plans (ESOPs) on the same basis as banks.

The Board also amended Regulation T – Credit by Brokers and Dealers, to permit brokers and dealers to extend and arrange credit to ESOPs. The Board will accept comments on Regulation T amendments so that modifications can be made if needed. Comments should refer to Docket R-0529.

An additional amendment to Regulation T, effective **September 30, 1985**, changes the initial margin requirements for the writing of options on equity securities. The amendment will permit a uniform premium-based system of margin requirements for all types of option contracts.

Copies of the Board's notices are available from Corporate Services at (415) 974-2752. For further information, please contact David Vandre in Consumer Affairs at (415) 974-2965.

### Return Item Notification

Beginning **October 1, 1985**, depository institutions will be required to provide advice of nonpayment of cash items (other than Treasury checks) in the amount of \$2,500 or more collected through Federal Reserve channels. Amendments to Regulation J require that these notices be provided directly to the first institution to which the item was deposited for collection (depository bank).

The Federal Reserve Bank's Funds Transfer System is being enhanced to allow payor institutions to construct an electronic wire notification to advise the institution of first deposit of the pertinent information appearing on the physical check item.

For further information regarding Return Item Notification, please refer to the Federal Reserve Regulation J announcement letter dated February 21, 1985. Copies of the letter and the amendment to Regulation J are available from Corporate Services at (415) 974-2752. For answers to technical questions, please contact Dennis Hicks at (415) 974-2484.

### Alternative Computer CALL Report Forms

The Federal Financial Institutions Examination Council (FFIEC) has amended its instructions for the various versions of the Reports of Condition and Income for Insured Commercial Banks under the provision:

"State member banks may submit computer printouts in a format identical to that of the (CALL) report form, including all items and column captions and other identifying numbers."

The amendment was a response to inquiries from banks about whether computer-generated forms can be used in place of preprinted forms distributed each quarter by the regulatory agencies. In the notice explaining the change, the FFIEC stated that it is the bank's responsibility to ensure that the form used is correct, that it conforms to the specifications set forth in the notice and by the relevant regulatory agency, and that the information submitted is fully accurate and meets the reporting requirements of the official agency-provided form.

For further information, please contact Ursula Braun, Reports Manager, at (415) 974-3145 or Evan Wallitt, Supervisor, at (415) 974-3114. Outside California, our toll-free number is (800) 227-4133, extensions 3145 and 3114, respectively.