

FEDERAL RESERVE BANK  
OF NEW YORK

[ Circular No. 7766 ]  
December 8, 1975

Operating Policies and Procedures of this Bank  
Under Statewide Branch Banking in New York State

*To All Member Banks, and Others Concerned,  
in the Second Federal Reserve District:*

Effective January 1, 1976, statewide branch banking will be permitted by State law in New York. Indicated below are certain operating policies and procedures that have been adopted by this Bank to accommodate this development. In general, these policies and procedures do not represent any significant departure from this Bank's existing policies and procedures governing services provided to member banks in this District. Rather, the procedural changes described below have been adopted, effective January 1, 1976, to facilitate transactions between this Bank and those banks located in New York State that become statewide banks.\* This Bank's transactions with the other banks located in New York State, and with banks in this District located in New Jersey and Connecticut, will not be affected by the changes.

*Territorial designation of member banks*

In general, statewide member banks will be designated as Head Office territory banks, and, accordingly, should conduct transactions with the Federal Reserve Bank of New York primarily through its Head Office in New York City. However, this Bank, at its discretion, may designate any statewide member bank as a Buffalo Branch territory bank if circumstances warrant. Such banks will then be expected to conduct transactions with this Bank primarily through its Buffalo Branch.

*Reserve accounts*

One reserve account will continue to be maintained for each member bank in this District. The reserve account of a statewide member bank will be maintained at either the Head Office or the Buffalo Branch of this Bank, depending on the territorial designation of such member bank.

*Treasury Tax and Loan accounts*

One Treasury Tax and Loan account will continue to be maintained at this Bank's Head Office for banks located in this District. All collateral used to secure Treasury Tax and Loan account balances should continue to be submitted to and held either at the Head Office or, at the discretion of this Bank, at its Buffalo Branch.

*Safekeeping services*

Safekeeping accounts will be maintained at the Head Office of this Bank in the name of the statewide member bank, and, in accordance with existing policy, no safekeeping accounts will be maintained for any branches of such banks. As provided in our Operating Circular No. 14, this Bank will not furnish safekeeping services to any member bank having an office located in the central financial district of New York City, except for book-entry securities and physical securities pledged for specifically authorized purposes.

*Wire transfers of funds and securities*

In accordance with existing policy, each statewide member bank will be assigned one routing number for wire transfers of funds and securities; this same routing number

\* The term "statewide bank" refers to any bank or trust company located in New York State that has banking offices in the territories served both by this Bank's Buffalo Branch (i.e., Allegany, Cattaraugus, Chautauqua, Erie, Genesee, Livingston, Monroe, Niagara, Ontario, Orleans, Steuben, Wayne, Wyoming, and Yates counties) and by this Bank's Head Office (i.e., the remaining counties in New York State).

will also be used for transmitting other messages over this Bank's communications network. The transmission of messages to a member bank's terminals will continue to be governed by the type code of the message as well as the routing number.

#### *Collection of cash items and noncash items*

In accordance with existing policy, this Bank will not collect any cash items or non-cash items received from any office of a statewide bank that are payable by, at, or through another office of the same bank.

#### *Check processing*

It is anticipated that the assigning of routing numbers for check collection will continue to be made on a basis consistent with appropriate rules contained in the *ABA Key to Routing Numbers* as published by Rand McNally & Co. This Bank encourages statewide banks to continue their present participation in any local clearing arrangements. If necessary, additional routing numbers will be assigned to such banks to identify those branches that participate in such arrangements.

#### *Currency and coin shipments*

Currency and coin shipments will continue to be made between branch offices of member banks located outside New York City and this Bank, in accordance with existing procedures.

#### *Advances to member banks*

Requests for credit accommodations will be accepted from a statewide member bank only at this Bank's Head Office, unless such bank has been designated a Buffalo Branch territory bank. Collateral used to secure Reserve Bank advances should be submitted to and held by this Bank at its Head Office or, at the discretion of this Bank, at its Buffalo Branch.

#### *United States Savings Bonds (Series E)*

Provided that there is no delay in receipt by this Bank, reports of Series E savings bonds sales should continue to be consolidated by the issuing agent bank before they are submitted to this Bank for processing. Consolidations may be made either for the entire bank (including its branches) or for groups of its branches, as appropriate.

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Any questions you may have regarding these matters may be directed to one of the following officers of this Bank:

#### *Head Office*

James O. Aston, Assistant Vice President (Telephone No. 212-791-6334 (with regard to check processing matters));  
Henry S. Fujarski, Assistant Vice President (Telephone No. 212-791-5349), or  
Franklin T. Love, Manager, Bank Relations Department (Telephone No. 212-791-6070).

#### *Buffalo Branch*

Peter D. Luce, Cashier, Buffalo Branch (Telephone No. 716-849-5013).

PAUL A. VOLCKER,  
*President.*