

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045

AREA CODE 212 791-5268

A. MARSHALL PUCKETT  
VICE PRESIDENT

*AT CIR No 9718*  
August 21, 1984

TO ALL BANK HOLDING COMPANIES AND STATE MEMBER BANKS IN THE SECOND  
FEDERAL RESERVE DISTRICT

This Bank's circular dated August 18, 1975 described the policy of the Board of Governors of the Federal Reserve System regarding the establishment of offsite electronic facilities ("OEFs") by State member banks. While the instructions contained in that circular remain generally in effect, the Board of Governors has recently determined that (1) if the State member bank does not own or rent a particular OEF and (2) if that OEF is shared by the State member bank with other institutions, then the use of the OEF by the State member bank would not require prior notification to the Reserve Bank and publication of newspaper notice. OEFs not satisfying both of these criteria will continue to be subject to the above-cited policy and thus will generally require prior notification.

When a State member bank joins an OEF network that meets both of the above criteria, it need only advise the Reserve Bank of such action by letter after the fact. In addition, the network should advise the Reserve Bank on a quarterly basis of the location of each facility added to the network during the preceding quarter.

Questions relating to the above should be directed to our Domestic Banking Applications Department (212-791-5861).

*A. Marshall Puckett*  
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Vice President