

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 10162]
April 6, 1987

**REDUCED FEES FOR FEDERAL AGENCY
BOOK-ENTRY SECURITIES SERVICES**

Effective May 1, 1987

*To All Depository Institutions in the Second
Federal Reserve District, and Others Concerned:*

The Board of Governors of the Federal Reserve System has approved reductions in portions of the fee structure for the federal agency book-entry securities service, effective May 1. The reductions to the fee structure for the Agency book-entry securities service are as follows:

- originating an on-line securities transfer from \$3.00 to \$2.25. (This also replaces the \$1.00-\$5.00 graduated on-line origination fee that was in effect only at this Bank.)
- originating or receiving an off-line securities transfer from \$10.00 to \$7.00.
- per-issue-per-account fee from \$.50 per issue to \$.45.

Appendix B to Operating Circular No. 21A will be revised shortly in order to reflect these changes.

The fees for the Treasury book-entry service remain unchanged.

Printed below is the new fee schedule, effective May 1, 1987; in addition, printed on the following pages is the text of the Board's official notice in this matter. Questions thereon may be directed to Patricia Hilt-Lupack, Manager, Securities Transfer Department (Tel. No. 212-720-5379).

E. GERALD CORRIGAN,
President.

Federal Agency Book-Entry Fee Schedule

Component	Transaction	Fee
On-Line Transfers		
Originated	Per Transfer	\$ 2.25
Off-Line Transfers:		
Originated	Per Transfer	7.00
Received	Per Transfer	7.00
Account Maintenance	Per Account	15.00
Issues in Accounts	Per Issue per Account	.45

FEDERAL RESERVE SYSTEM

[Docket No. R-0599]

Fee Schedules for Federal Reserve Bank Services

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice.

SUMMARY: The Board has approved a fee schedule for book-entry securities services.

EFFECTIVE DATE: May 1, 1987.

FOR FURTHER INFORMATION CONTACT: Charles W. Bennett, Assistant Director (202-452-3442), Gerald D. Manypenny, Manager (202-452-3954), or Donna DeCorleto, Senior Analyst (202-452-3954) Division of Federal Reserve Bank Operations; Joseph R. Alexander, Senior Attorney (202-452-2489), Legal Division; or, for the hearing impaired only, Earnestine Hill or Dorothea Thompson, Telecommunications Device for the Deaf (TDD) (202-452-3544); Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

SUPPLEMENTARY INFORMATION: On November 5, 1986, the Board approved the 1987 fee schedules for priced services of the Federal Reserve Banks. 51 Fed. Reg. 42,630 (Nov. 25, 1986). At that time, the Board postponed any changes to the book-entry fee schedule until the second quarter of 1987 "because recent operational changes, such as the mid-1986 expansion of

book-entry mortgage-backed securities to all Reserve Banks, have increased the cost of the book-entry service," and the Board did not believe that the data available in November, 1986, were adequate for making pricing decisions for all of 1987.

Although there is still some uncertainty about costs and volumes, the Board believes that it is appropriate to act on proposed changes to the book-entry service at this time. Without repricing, Reserve Banks would recover 122 per cent of the costs (including a private sector adjustment factor) of providing the book-entry service.

Based on the information currently at hand, the Board has approved reductions in four components of the fee structure for the federal agency book-entry securities service. The Board expects that the new fee schedule will result in an annualized recovery rate of 105 per cent (110 per cent for all of 1987). This schedule reduces the fee charged for originating an on-line securities transfer from \$3.00 to \$2.25 and reduces the fee charged for originating or receiving an off-line securities transfer from \$10.00 to \$7.00. These fees are identical to those charged by the Treasury Department for transfers of Treasury book-entry securities.

The Board has also approved replacing the \$1.00 to \$5.00 graduated on-line origination fee, which has been in effect only at the Federal Reserve Bank of New York, with the \$2.25 fee. This graduated fee never achieved its intended goal of encouraging service users to send securities transfers during non-peak volume periods.

The schedule also reduces one of the two maintenance fees, the per-issue-per-account fee, from \$.50 per-issue to \$.45. The other maintenance fee, the \$15.00 account maintenance fee, would remain unchanged. The Treasury Department does not charge issue or account maintenance fees.

The fees approved by the Board are set out in the attachment.

By order of the Board of Governors of the Federal Reserve System, March 31, 1987.

(signed) James McAfee

James McAfee
Associate Secretary of the Board

**FEDERAL RESERVE BANK
OF NEW YORK**

**Appendix B to
Operating Circular No. 21A
Revised effective May 1, 1987**

**FEE SCHEDULE FOR TRANSACTIONS
IN BOOK-ENTRY SECURITIES**

*To All Depository Institutions in the Second
Federal Reserve District, and Others Concerned:*

1. As indicated in this Bank's Circular No. 10162, dated April 6, 1987, portions of the fee structure for the Federal Agency book-entry securities service have been reduced, effective May 1, 1987. The following schedule contains the fees for transactions in book-entry Treasury and Federal Agency securities under Operating Circular No. 21A:

Transaction Fees	<i>Treasury Securities</i>	<i>Non-Treasury Securities</i>
Origination		
On-line transfers	\$2.25	\$ 2.25
Off-line transfers	7.00	7.00
Receipt		
Off-line transfers	7.00	7.00
Monthly Maintenance Fees		
Per account	—	15.00
Per issue per account	—	0.45

2. This Appendix supersedes Appendix B, effective October 1, 1985, to Operating Circular No. 21A.

**E. GERALD CORRIGAN,
President.**

[Ref. Cir. No. 10162]