

**FEDERAL RESERVE BANK  
OF NEW YORK**

*At-lin. no. 10235(b)*

May 2, 1988

**BOARD OF GOVERNORS' POLICY STATEMENT ON  
DAYLIGHT OVERDRAFTS**

**Reminder of Change Effective May 19, 1988**

*To Daylight Overdraft Liaison Officers at All Depository Institutions  
in the Second Federal Reserve District, and Others Concerned:*

As set forth in this Bank's Circular No. 10184, dated August 13, 1987, the Board of Governors of the Federal Reserve System adopted an interim statement of its policy on reducing risks in large dollar transfer systems. The interim statement indicated that the then current sender net debit caps were to be reduced, in two stages, by 25 percent. The first stage, a 15 percent reduction, took place on January 14, 1988. The remaining 10 percent reduction will take place on May 19, 1988. The reduction also applies to the Fedwire caps of U.S. branches and agencies of foreign banks. The new multiples of adjusted primary capital used to set cap levels will be as follows:

<u>Cap Class</u>	<u>May 19, 1988 and after</u>	
	<u>2-Week Average</u>	<u>Single Day</u>
High	1.50	2.25
Above Average	1.125	1.875
Average	0.75	1.125
No Cap	0.0	0.0

Also, as you may know, the Federal Reserve's payments system risk manual (now titled the *Users' Guide to the Policy Statement*) has been revised to reflect the policy changes described in the Board of Governors' interim policy statement. Copies of the manual have already been distributed to daylight overdraft liaison officers and others on mailing lists maintained by the Accounting Department of this Bank; additional copies are available upon request.

Questions regarding the cap reduction or requests for copies of the manual may be directed to Donald R. Anderson, Manager, Accounting Department (Tel. No. 212-720-5250), or to Anthony Fressola, Chief, Accounting Control Division (Tel. No. 212-720-5803).

RICHARD J. GELSON,  
*Daylight Overdraft Liaison Officer.*