

**FEDERAL RESERVE BANK
OF NEW YORK**

AT 10574(a)
March 1, 1995

UTICA OFFICE

Change in Mailing Address

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

The Utica Office of the Federal Reserve Bank of New York has a new mailing address:

Utica Office
Federal Reserve Bank of New York
120 Airline Street
Oriskany, NY 13424-9729

The Office is still located at the Oneida County Airport. The reason for the address change is that, as a result of "911" emergency dialing system that will soon be implemented in Oneida County, the county is requiring that specific street numbers and names be used for all addresses.

The new address should be used for all correspondence mailed to the Utica Office. In addition, please note that the old address appears in many places throughout Operating Circular No. 4, "Collection of Cash Items and Returned Checks." Please make the necessary changes in your records.

ANGUS J. KENNEDY
*Regional Check Manager,
Utica Office*

**FEDERAL RESERVE BANK
OF NEW YORK**

[**Operating Circular No. 17**
March 21, 1995]

**TRANSACTIONS IN MARKETABLE
U.S. TREASURY AND AGENCY
DEFINITIVE SECURITIES**

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

This circular contains information and instructions concerning servicing and redemption transactions relating to marketable definitive securities that the Federal Reserve Bank of New York ("Bank") processes as fiscal agent of: the United States; agencies, instrumentalities, and establishments of the United States; and international financial organizations. In addition to this circular, other information relating to the various securities transactions processed by this Bank as fiscal agent for these principals is contained in this Bank's Operating Circulars Nos. 6, 14, and 21; 12 C.F.R. Part 210 ("Regulation J"); and in 31 C.F.R. Parts 306 and 357 ("Treasury Department Circular No. 300").

GENERAL OVERVIEW

Marketable definitive securities covered by this circular

1. The transactions described in this circular relate to the following types of definitive securities:

- (a) United States Government ("Treasury") securities.
- (b) Securities of the issuers listed in b(i) and b(ii) below, hereinafter referred to as "Agency" securities:
 - (i) Government-sponsored enterprises
 - A. Farm Credit System
 - Banks for Cooperatives
 - Farm Credit Administration
 - Federal Intermediate Credit Banks
 - Federal Land Banks
 - B. Federal Home Loan Banks
 - C. Federal Home Loan Mortgage Corporation
 - D. Federal National Mortgage Association

[Enc. Cir. No. 10775]

- E. Student Loan Marketing Association
- F. United States Postal Service
- G. Farmers Home Administration
[all securities matured - 2 issues, 3 accounts remain open]
- H. Government National Mortgage Association
[all securities matured - 5 issues, 8 accounts remain open]
- I. Small Business Administration
[all securities matured - 5 issues, 14 accounts remain open]
- (ii) International financial organizations
 - A. African Development Bank
 - B. Asian Development Bank
 - C. Inter-American Development Bank
 - D. International Bank for Reconstruction and Development
 - E. International Finance Corporation

Applicable Treasury and Agency rules

2. The specific terms and conditions relating to an issue of Treasury or Agency definitive securities are contained in the offering materials released by the Treasury or Agency prior to the original issue date of the particular security. The general requirements followed by this Bank regarding the transfer, exchange, redemption or other authorized transactions of all marketable Treasury securities and, for the most part, marketable Agency securities, are contained in Treasury Department Circular No. 300, a copy of which is available upon request from the Bank's Government Bond Division. The requirements governing Agency securities transactions not covered by Circular No. 300 are contained in the Agency agreements with this Bank; information regarding the details of such agreements may be obtained through this Bank's Government Bond Division.

Documentation for certain transactions

3. Federal and State law requires that all investors or, in the case of a deceased investor, the estate representative, provide information or documentation in connection with certain transactions in marketable Treasury and Agency securities. The information or documentation that must be provided, and the circumstances under which it is required, are contained in Appendix A to this circular.

SERVICING AND REDEMPTION TRANSACTIONS

Servicing transactions

4. This Bank processes servicing transactions involving definitive Treasury and Agency securities. Servicing transactions include transfers, exchanges and conversions to/from book-entry form in accordance with the relevant regulations and policies of the issuers. Definitive securities presented to this Bank for an authorized servicing transaction must be submitted with the appropriate application listed in Appendix B. Effective January 30, 1995, the servicing of definitive Treasury securities is subject to a \$50.00 fee for

each physical security issued. Unless other payment instructions are received, the account generally used for Reserve Bank service fees will be charged.

Redemption transactions

5. This Bank will make payment of matured or "called" definitive Treasury and Agency securities and matured coupons presented to this Bank, in accordance with the issuer's instructions. Definitive registered or bearer securities and coupons submitted for redemption must be accompanied by the appropriate Bank application form (see Appendix B). Appendix C to this circular sets forth the eligible issue of U.S. Treasury bonds that may be used for payment of Federal estate taxes and the procedures for redeeming such bonds at this Bank. Regulation J and this Bank's Operating Circular No. 6 contain rules relating to matured Treasury and Agency coupon redemptions.

Medallion stamp imprints

6. This Bank will accept medallion stamp imprints as an appropriate endorsement of, certification of signatures on, or appointment of power of attorney for, certain registered securities from participants in a Medallion Signature Guarantee Program. Appendix E to this circular sets forth the conditions under which this Bank will accept medallion stamp imprints.

SHIPMENTS OF DEFINITIVE SECURITIES

Shipments to this Bank

7. Shipments to this Bank of securities for exchange, transfer, redemption, or other authorized transactions, are made at the risk and expense of the sender. Securities assigned in blank, or assigned in exchange for bearer securities, should be handled as bearer securities. Treasury Department Circular No. 853 (12 C.F.R. Part 328) contains useful information for depository institutions regarding reducing insurance costs and the risk of loss when shipping bearer Treasury and certain Agency securities to a Federal Reserve Bank. Depository institutions should restrictively endorse securities shipped to this Bank for any purposes specified in Circular No. 853 in the manner prescribed in that Circular. Copies of Circular No. 853 and appropriate forms and instructions for submitting restrictively endorsed securities are available upon request from the Bank's Government Bond Division.

Shipments by this Bank

8. Shipments by this Bank, as fiscal agent of the United States, of certain original issue Agency securities, and bearer and registered Treasury securities authorized by the Treasury to be issued in replacement of lost or stolen securities, will generally be made by registered mail at the expense and risk of the United States pursuant to the provision of the Government Losses in Shipment Act. Shipments by this Bank of registered Treasury or Agency securities after original issue will be made by certified mail without expense to, but at the risk of, the person ordering the shipment. Such shipments will not be insured unless this Bank receives written instructions to arrange for insur-

ance at the expense of the person ordering the shipments. Shipments of bearer securities after original issue will be delivered by registered mail and covered by insurance at the owner's own risk and expense.

9. Shipments by this Bank of securities not covered by the Government Losses in Shipment Act will be made in the same manner as the shipments of Treasury and certain Agency securities described in paragraph 8 above. Such shipments will be made subject to agreements between this Bank and the respective Agencies regarding insurance coverage and shipping expenses.

INSURANCE OF SHIPMENTS MADE BY THIS BANK AS FISCAL AGENT OF THE UNITED STATES

10. The interest and responsibility of the United States in shipments of securities made by this Bank as fiscal agent of the United States ceases upon delivery of such shipments by the United States Postal Service. An addressee accepting delivery at an office of the United States Postal Service, by agent or otherwise, must therefore ship such securities at its own risk and expense from such office to the addressee. If the addressee is a depository institution, this Bank will arrange insurance coverage, at the expense of the depository institution, for the benefit of such depository institution for the time the securities are receipted for by such depository institution or its agent, subject to all the conditions of this Bank's registered mail insurance policies. As noted in paragraph 20 of this Bank's Operating Circular No. 14, such policies do not cover war or related risks or loss due to theft by employees for the sender or the addressee. In addition, such special insurance does not cover any claims for shortage or mysterious disappearance unless due to a known casualty in transit between the office of the United States Postal Service and the office of the addressee.

LOST, STOLEN, OR MUTILATED DEFINITIVE SECURITIES

Treasury securities

11. All reports of lost, stolen, destroyed, mutilated or defaced registered Treasury securities should be made to the Treasury Department, Bureau of the Public Debt, Executive Correspondence and Claims Section, Parkersburg, WV 26106-1328. However, depository institutions in the Second Federal Reserve District holding bearer Treasury securities should notify the New York Federal Reserve Bank's Government Bond Division immediately regarding missing or mutilated securities. The procedures for obtaining relief for such Treasury securities, and the provisions under which it is available, are outlined in Treasury Department Circular No. 300.

Agency securities

12. The Bank's Government Bond Division should be notified immediately of Agency bearer or registered securities that have been lost, stolen, destroyed, mutilated, or defaced. The procedures for obtaining relief with respect to such securities will be provided to the claimant by either the

Treasury Department or the appropriate Agency involved after notification of the lost or mutilated securities has been received by this Bank.

REVISION OF THIS CIRCULAR

13. Any depository institution availing itself of services referred to in this circular shall, by such action, be deemed to have agreed to all the terms and conditions of the circular. The Bank reserves the right to withdraw or amend the provisions of this circular at any time without notice, but will endeavor to give at least 30 days' notice.

Effect of this circular on previous circular

14. This circular supersedes our Operating Circular No. 17, dated March 6, 1987.

WILLIAM J. McDONOUGH,
President.

**FEDERAL RESERVE BANK
OF NEW YORK**

[**Appendix A to
Operating Circular No. 17**
Revised March 21, 1995]

**FEDERAL AND STATE LAW REQUIREMENTS
REGARDING MARKETABLE
SECURITIES TRANSACTIONS**

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

This Appendix sets forth the Federal and New York State tax law requirements for investors in certain transactions involving marketable Treasury and Agency securities.

Tax Identification Number (Certification) on Marketable Securities Transactions

1. The Interest and Dividend Tax Compliance Act of 1983, as amended, requires investors in marketable securities to provide a certified taxpayer identification number under the following circumstances:

- (a) when purchasing **original issue** marketable securities (in registered, bearer, or book-entry form);
- (b) when requesting registration of **outstanding** marketable securities (in registered, bearer, or book-entry form); and
- (c) when redeeming marketable bearer securities or registered securities made payable to other than the registered owner(s).

The certification requirements may be accomplished by completing IRS Form W-9, which may be obtained from any local office of the Internal Revenue Service. The properly completed Form W-9 is to be presented to, and maintained by the broker or financial institution completing any of the above-mentioned securities transactions. The certification requirements apply to all Treasury and Agency securities for which the Bank acts as fiscal agent. A Form W-9 is not required when redeeming registered securities if payment is to be made to the registered owner. However, the social security number of the registered owner must be provided in order to avoid withholding of

[Ref. Cir. No. 10775]

Federal income taxes on the interest or original issue discount payment at the flat 31 percent Federal withholding rate.

Authorized Securities Transactions Involving a Deceased Resident of New York State

2. Treasury and Agency definitive securities owned individually by a deceased resident, of the State of New York or owned jointly by a deceased resident and other person(s), that are submitted to this Bank for any authorized transaction must be accompanied by a Waiver Notice from the State of New York - Department of Finance - if the face amount of the securities submitted, plus accrued interest, exceeds \$30,000. The Waiver Notice need not be obtained if the securities are held jointly with a surviving spouse, regardless of the value of the securities, except in cases where the decedent and the decedent's spouse are the only joint tenants.

Effect of this Appendix on previous Appendix

3. This Appendix A supersedes Appendix A, dated March 6, 1987, to Operating Circular No. 17.

WILLIAM J. McDONOUGH,
President.

**FEDERAL RESERVE BANK
OF NEW YORK**

**Appendix B to
Operating Circular No. 17**
Revised March 21, 1995

**FEDERAL RESERVE BANK OF NEW YORK
SERVICING AND REDEMPTION APPLICATIONS**

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

1. This appendix lists various types of servicing and redemption transactions relating to definitive securities or coupons that are performed by the Federal Reserve Bank of New York and the application forms required to effect the transactions. The applications forms are available upon request directed to the Government Bond Division of the Head Office of this Bank.

Transaction	Form
Transfer of Registered Securities for Registered Securities	GB232
Exchange of Registered Securities for Bearer Securities	GB232
Conversion of Registered Securities for Book-Entry Securities	GB232
Exchange of Bearer Securities for Registered Securities	GB232
Conversion of Bearer Securities for Book-Entry Securities	GB232
Denominational Exchange of Bearer Securities	GB232
Redemption of U.S. Treasury Bonds for Federal Estate Taxes	GB232
Redemption of Registered or Bearer Securities - Financial Institutions	GB228
Redemption of Registered or Bearer Securities (or Coupons) - Individuals	GB239
Redemption of Coupons — Financial Institutions	GB589

Effect of this Appendix on previous Appendix

2. This Appendix B supersedes Appendix B, dated March 6, 1987, to Operating Circular No. 17.

WILLIAM J. McDONOUGH,
President.

[Ref. Cir. No. 10775]

**FEDERAL RESERVE BANK
OF NEW YORK**

[**Appendix C to
Operating Circular No. 17**
Revised March 21, 1995]

**REDEMPTION OF TREASURY BONDS TO PAY
FEDERAL ESTATE TAXES**

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

1. The Treasury bond listed below, whether in registered, coupon, or book-entry form, may be redeemed at par plus accrued interest for the purpose of applying the proceeds to the payment of Federal estate taxes. The bond is redeemable for this purpose by the terms of its issue.

TREASURY BONDS

<i>Series</i>	<i>Dated</i>	<i>Due</i>
3 1/2% 1998	October 3, 1960	November 15, 1998

Conditions and restriction

2. The conditions prerequisite to the redemption of Treasury bonds to pay Federal estate taxes, and the restriction on the amount of bonds redeemable for that purpose, are set forth in Treasury Department Circular No. 300 (4th Revision, March 9, 1973), copies of which will be furnished upon request. The conditions, generally, are that the bonds must have been owned by the decedent at the time of his death and thereupon constitute a part of his estate. The restriction, generally, is that the amount of bonds redeemable, plus any accrued interest due, may not exceed the amount of the tax due.

Forms

3. Bonds submitted for redemption and the application of their proceeds to the payment of Federal estate taxes must be accompanied by Form PD 1782 ("Application for Redemption at Par of United States Treasury Bonds Eligible for Payment of Federal Estate Tax"), fully completed and duly executed by the executor or administrator of, or persons entitled to, the estate. A certified copy of a death certificate for the decedent and properly completed

[Ref. Cir. No. 10775]

GB 232 by the submitting agent must accompany the PD 1782 and bonds. Form PD 1782 contains a form of assignment of the bonds submitted and accordingly the assignment forms on any registered bonds submitted need not be executed. The forms PD 1782 and GB 232 (and procedures for applying Treasury bonds in book-entry form for the payment of Federal estate taxes) may be obtained from the Head Office of the Federal Reserve Bank of New York, Government Bond Division, Registration Section.

Effect of this Appendix on previous Appendix

4. This Appendix C supersedes Appendix C, revised March 6, 1987, to Operating Circular No. 17.

WILLIAM J. McDONOUGH,
President.

**FEDERAL RESERVE BANK
OF NEW YORK**

Appendix D to
Operating Circular No. 17
Effective July 1, 1993

**TELEPHONE TENDERS FOR
TREASURY AUCTIONS**

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

1. This Appendix sets forth the terms under which a submitter in a Treasury auction (the "Submitter") may submit a tender by telephone to the Federal Reserve Bank of New York or its Buffalo Branch (the "Bank"), as fiscal agent of the United States. By submission of a telephone tender, the Submitter accepts the provisions of this Appendix.

2. Routine submission of telephone tenders is *not* permitted. However, under special emergency circumstances, such as power failures and equipment or communication failures, the Bank *may*, in its discretion, receive tenders submitted by telephone. Tenders will not be received by telephone if, in the Bank's judgment, the Submitter has the ability to submit the tender in a timely manner either by computer or by paper and has not made a good-faith effort to do so.

Eligible Submitters

3. To submit a telephone tender, the Submitter must have on file with the Bank's Open Market Accounting Division an executed "Authorization for Persons to Submit Paper Tenders on Behalf of Submitter" listing individuals authorized to submit paper tenders on behalf of the Submitter. Persons who are authorized to submit paper tenders will be considered authorized to submit telephone tenders. In addition, the Submitter must have made arrangements for payment by an authorized charge to a funds account of a depository institution ("DI"). If the Submitter does not have a funds account at the Bank or chooses not to pay by charge to its funds account, it must have on file with the Bank a current autocharge agreement with a DI that has a funds account at the Bank.

Timely Submissions

4. Telephone tenders, to be considered timely, must be received before the relevant auction deadline. Telephone tenders will be considered received when the Submitter has provided all required tender information to the Bank. No withdrawals, corrections, or other adjustments may be made after the deadline.

[Enc. Cir. No. 10646]

Procedures

5. Telephone tenders will be received only over designated recorded telephone lines, including the direct telephone lines used in this Bank's Open Market Function, and the following dial-in line: (212) 720-6860.

6. An individual submitting a telephone tender for the Submitter must satisfactorily identify himself/herself to the Bank personnel receiving the tender.

7. Bank personnel receiving a telephone tender will read back to the caller the Submitter's tender information, including dollar amounts bid at each yield, names of customers, and amounts of net long positions.

8. The Bank may make a follow-up verification call directed to a person authorized to submit tenders under the Submitter's "Authorization for Persons to Submit Paper Tenders on Behalf of Submitter." That person will be requested to repeat the tender information. Verification calls will be made as quickly as possible after the original call submitting the tender has been completed.

9. The Submitter submitting a tender by telephone must submit a computer tender, or if the Submitter is unable to submit a computer tender, a paper tender, confirming its telephone tender. The confirming tender must be received by the Bank by close of business of the day of the auction in question. Any computer or paper tender submitted hereunder should be marked clearly as a confirmation of the telephone tender.

General Provisions

10. The Bank is entitled to rely on any telephone tender it believes to be genuine. All tenders submitted by telephone are binding on the Submitter to the same extent as if they were paper tenders. All terms, conditions, and certifications applicable to submissions of paper tenders under Department of the Treasury Circular, Public Debt Series No. 1-93 (31 CFR Part 356) and the applicable offering announcements apply to tenders submitted by telephone. The Bank may disregard or cancel any telephone tender it is unable to verify in accordance with its procedures. A failure to submit a confirmation as required by paragraph 9 of this Appendix, a delay in submitting the confirmation, or a discrepancy between a tender and the confirmation shall not relieve any Submitter of responsibility for its tender but may cause the Bank to refuse to accept tenders by telephone in the future from the same Submitter.

11. The Bank may use tape recordings of telephone conversations to resolve disputes regarding tenders submitted by telephone. All disputes must be presented before the issue date of the security being auctioned.

12. The Bank reserves the right to amend this Appendix at any time without notice.

E. GERALD CORRIGAN,
President.

**FEDERAL RESERVE BANK
OF NEW YORK**

**Appendix E to
Operating Circular No. 17
March 21, 1995**

**ACCEPTANCE OF MEDALLION STAMP IMPRINTS
FOR REGISTERED SECURITIES TRANSACTIONS**

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

Generally, the assignment of a registered Treasury or Agency security requires the manual signature of the registered owner, or its authorized representative, in the presence of a certifying officer. This Appendix sets forth the conditions under which the Federal Reserve Bank of New York ("this Bank") will accept medallion stamp imprints as an appropriate endorsement of, certification of signatures on, or appointment of power of attorney for registered Treasury and Agency securities.

This Appendix is consistent with Securities and Exchange Commission Rule 17AD-15 (published in 57 Federal Register 1082 (January 10, 1992)), and is issued pursuant to the authorization of the principal issuers of securities for which this Bank acts as transfer agent.

This Bank will no longer verify signatures of persons certifying signatures/endorsing securities to specimen signature cards and/or signature books (except for Treasury securities).

A booklet entitled "Federal Reserve Bank of New York — Security Transfer Requirements" provides additional detailed information on our acceptance of medallion stamp imprints. The booklet may be obtained from the Head Office of the Federal Reserve Bank of New York, Government Bond Division, Registration Section.

Medallion Signature Guarantee Programs

1. This Bank will accept a medallion stamp imprint as a certification of signatures on registered United States Treasury and Agency securities, and as an endorsement of, and power of attorney for, certain Agency securities under the terms set forth herein. The use of the medallion stamp imprint is restricted to participants in Medallion Signature Guarantee Programs ("Programs") approved by the Securities Transfer Association ("STA").

2. The following Programs have been approved by the STA:

[Ref. Cir. No. 10775]

- (a) Securities Transfer Agents Medallion Program (“STAMP”)
- (b) Stock Exchanges Medallion Program (“SEMP”)
- (c) New York Stock Exchange, Inc. Medallion Signature Program (“MSP”)

Conditions and Restrictions

3. The transactions and securities for which medallion stamp imprints are acceptable are described below:

- (a) U.S. Treasury and certain Agency Securities — a STAMP, SEMP or MSP medallion may be used to certify signatures on the following types of securities. These medallion imprints may not be used as an endorsement even though the registered owner, or assignee of a registered security, may be a participant in any STA approved medallion Program.
 - (i) Treasury notes and bonds; and
 - (ii) Farm Credit Administration (“FCA”) securities; and Collateralized Mortgage Obligations and Guaranteed Mortgage Certificates of the Federal Home Loan Mortgage Corporation (“FHLMC securities”).
- (b) Only those institutions listed in 31 C.F.R. Part 306.45(a) (Treasury Circular No. 300) may certify signatures on Treasury, FCA, and FHLMC securities by use of a medallion imprint.
- (c) Other Agency Securities — subject to the limitations stated herein, a medallion stamp imprint may be used to certify signatures on, as an endorsement of, or as a power of attorney for, the Agency securities specified below:
 - (i) A United States participant in any STA-approved Program may use a medallion stamp to certify the signatures on, or appoint a power of attorney for, the registered owner(s) or assignee(s) or, registered securities issued by the:
 - A. African Development Bank;
 - B. Asian Development Bank;
 - C. Inter-American Development Bank;
 - D. International Bank for Reconstruction and Development;
 - E. International Finance Corporation; and
 - F. Federal Home Loan Mortgage Corporation (“Freddie Mac”) (Mortgage Backed Securities only).*
 - (ii) United States participants of STAMP, SEMP, or MSP may use the medallion stamp imprint of STAMP, SEMP, or MSP to certify the signatures on, or appoint a power of attorney for the registered owner(s) or assignee(s) of, registered securities of the following Agencies:
 - A. Federal National Mortgage Association (“Fannie Mae”) (Mortgage Backed Securities only)*; and

* Both Freddie Mac and Fannie Mae also accept Canadian stock exchange participants.

- B. Student Loan Marketing Association ("Sallie Mae").
- (iii) For the securities listed in (c) (i), a United States stock exchange member that is a participant in any STA-approved signature guarantee program, and for the securities in (c) (ii), a United States stock exchange member in STAMP, SEMP or MSP, may use a medallion stamp imprint as an endorsement, provided the securities are registered in the name of, or assigned to, the endorsing party. If the stamp is used for such a purpose, no additional guarantee is required.

4. A guarantor institution may affix medallion imprints by an electronic facsimile machine or by a hand stamp. A manual or facsimile signature is required to complete the medallion imprint. This Bank will have no obligation to authenticate or verify a signature, whether affixed manually or by facsimile.

WILLIAM J. McDONOUGH,
President.

**FEDERAL RESERVE BANK
OF NEW YORK**

**Appendix B to
Operating Circular No. 5**

Effective January 3, 1995

ELECTRONIC ACCESS FEE SCHEDULE

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

Monthly Connection Fees

Dial-up line (FLASH-LIGHT: up to 9.6 kbps)	\$ 30
Dial-up line (FEDLINE: up to 14.4 kbps)	\$ 75
High Speed Dial-up line (up to 56 kbps)	\$ 350
Multi-drop Leased line (up to 9.6 kbps)	\$ 450
Dedicated Leased line (up to 9.6 kbps)	\$ 750
High Speed Leased line (up to 19.2 kbps)	\$ 850
High Speed Leased line (up to 56 kbps)	\$1,000
High Speed Leased line (up to 128 kbps)	\$1,800
High Speed Leased line (up to 256 kbps)	\$2,000

Other Fees for On-line Connections

Basic installation	\$ 300
Basic installation (FLASH-LIGHT)	\$ 100
Hardware compatibility testing	\$2,500
Software compatibility testing	up to \$8,000
Retraining	\$ 150

Effect of this Appendix on previous Appendix

This Appendix supersedes Appendix B, effective January 3, 1994, to Operating Circular No. 5.

WILLIAM J. McDONOUGH,
President.

[Enc. Cir. No. 10747]

**FEDERAL RESERVE BANK
OF NEW YORK**

[**Appendix 2 to
Operating Circular No. 10**
Revised effective January 3, 1995]

ACH TIME AND FEE SCHEDULES

TIME SCHEDULE

Cutoff Hours

This time schedule shows the closing hours for receipt by us from an ACH of presorted ACH formatted files containing debit and/or credit items of various classes.

Closing Times¹

	<u>Exchange 1</u>	<u>Exchange 2</u>	<u>Exchange 3</u>	<u>Exchange 4</u>
Interregional: Presort	10:00 a.m.	1:00 p.m.	7:00 p.m.	2:00 a.m.

¹ Closing times represent the end of the deposit window. Files must be completely received (e.g., data transmission fully concluded) by the closing time. Sending institutions using data transmission, especially those having large and/or variable volumes of deposits, should coordinate the beginning of their transmission within the window to ensure completion by the closing time. Presort deposits of 500,000 items or more per exchange must be received one-half hour earlier than the indicated deadline. Times listed are Eastern Time.

Effective Date Windows

Items (other than returns, NOCs and NACS² items) should specify an effective date within the following effective date windows, computed from our processing date.

<i>Class</i>	<i>Effective Date Window</i>
Credit Items	One (1) or Two (2) Banking Days
Debit Items	One (1) Banking Day Only

Items with an effective date later than the effective date window will be returned to the sender.

² National Association for Check Safekeeping.

[Enc. Cir. No. 10747]

Settlement Dates

If an effective date is not specified, or if an item specifies an effective date the same as or earlier than our processing date, the settlement date is the banking day following our processing date. The settlement date for return items and NACS items is the banking day of processing (day cycle) or the next banking day (night cycle).

If an item specifies a settlement date that is a standard Reserve Bank holiday, the settlement date is the next banking day for us.

If an item specifies a settlement date that is not a banking day for the sending institution or the receiving institution, settlement is effected, with respect to that party, as follows:

ACH Debit Items:

Sending Institution Closed: Credit sending institution's account on settlement date.

Receiving Institution Closed: Debit receiving institution's account on settlement date or receiving institution may choose next day debit with "as of" adjustment or explicit charge for float.

ACH Credit Items:

Sending Institution Closed: Debit sending institution's account on settlement date.

Receiving Institution Closed: Credit receiving institution's account on settlement date.

The receiving institution is not considered to receive an item made available to it on the day it is closed until its next banking day for purposes of determining the deadline for return.