

Federal Reserve Bank of Dallas April 1982

New Dial-Up Terminal Offers Online Access

A new dial-connect terminal is being offered by the Dallas Fed as an additional option for online access to Federal Reserve services. Online access links a financial institution with the Dallas Fed's computer and with the nationwide Federal Reserve communications network. The new terminal was designed as an inexpensive alternative for institutions with insufficient volume for use of the other online options the Dallas Fed offers.

As with existing online equipment, the dial-connect terminals may be used for sending and receiving wire

transfers of funds and for obtaining reserve account statement information. In the future, additional services will be accessible using online equipment. These include transfers of securities, currency and coin services, Treasury tax and loan advices, money market interest rate ceiling information, and other services.

The IBM Personal Computer was chosen for use with the new dial-connect service. This system uses a telephone handset to call the Fed and establish communications with the Fed's computer. When it is not being

used to access Fed services, the IBM computer will also provide financial institutions with programmable computing capability and may be used for such functions as accounts receivable, accounts payable, general ledger, and word processing. The cost of the dial-connect terminal option will be approximately \$170 per month for terminal and telephone equipment leasing.

The first group of institutions to receive installation of the new equipment are scheduled to do so in April. The Dallas Fed will handle installation of the equipment and personnel training.

In addition to the new dial-connect terminal, the Dallas Fed offers several other alternatives for institutions seeking online access. These include a direct link between the institution's computer and the Fed's computer, which is designed for high-volume users of Fed Services, and direct links between various configurations of terminals, keyboards and printers with the Fed's computer, which are designed for moderate-volume users of Fed services.



The IBM Personal Computer provides access to Fed services and other functions.

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Lawyers Explain Reg Z Changes

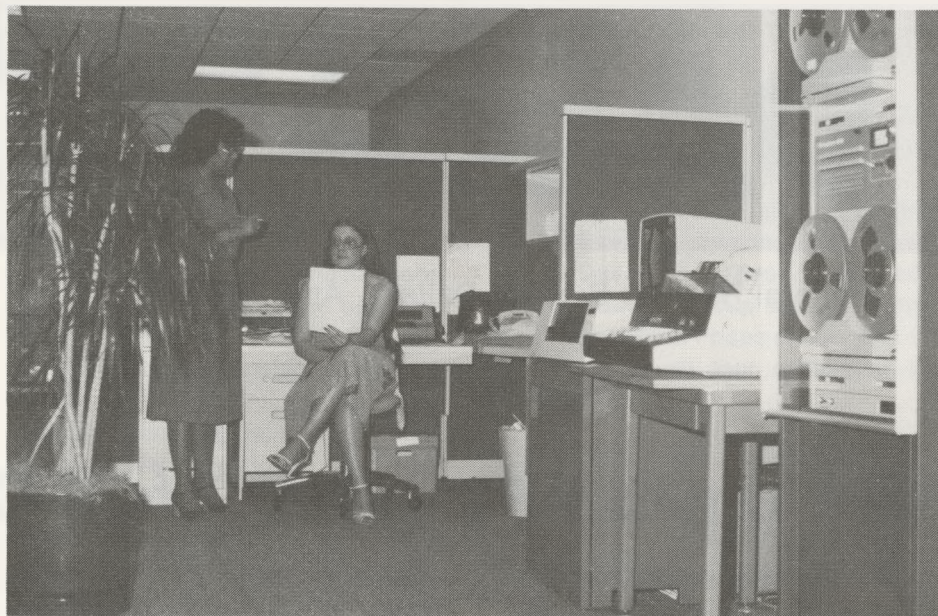
Members of the Legal Department of the Dallas Fed participated in an all-day seminar for approximately 50 loan officers and executives from North Texas and Southern Oklahoma to discuss the changes and simplification of Regulation Z. Attorneys Dean Pankonien and Mike Broker delivered a broad overview of the regulation and a general explanation of the changes to those in attendance at the seminar, which was sponsored by the Liberty National Bank of Paris.

The changes in this regulation, which pertains to Truth in Lending, were initiated partly as a result of the Monetary Control Act of 1980 and partly because of the Federal Reserve Board's own policy of making regulations less burdensome.

The major changes to Regulation Z relate to:

- closed-end credit forms requirements;
- advertising rules;
- rescission requirements; and
- creditors liability to consumers for violations of the law.

The new changes in the regulation, which financial institutions originally had to comply to by April 1, 1982, have been deferred to October 1, 1982.



The Dallas Transfers of Funds Department is linked to a nationwide network.

Dallas Fed Creates New Funds Transfer Department

A new Transfers of Funds Department was created at the Dallas Fed effective February 1. The department is responsible for handling the electronic transfers of funds between accounts of financial institutions at Federal Reserve Bank offices using the Federal Reserve's communications network. This computer-operated network is also used for accessing other Fed services and for the transmission of announcements and information. Jonnie K. Miller was named manager of the new department.

Formerly, the wire transfer of funds function was a part of the Accounting Department at the Dallas Fed. "As one of our priced services, wire transfer is an area which we felt deserved additional management attention," Thomas H. Rust, assistant vice president over the area, said. "This was the primary reason for the reorganization."

The Accounting Department is still responsible for maintaining the reserve accounts of institutions and general ledger accounts. Allan Y. Neale is manager of the department.

Boykin Expects Improved Economy in 1982

Robert H. Boykin, President of the Federal Reserve Bank of Dallas, recently was the principal speaker at the Annual Meeting of the 7th District Texas Bankers Association. At the meeting in Fort Worth, Boykin reviewed the Federal Reserve's monetary policies and discussed the economic outlook for 1982.

In his speech before 500 TBA members, Boykin stated that, "...there is a good bit of evidence to

suggest...that...once a lower rate of inflation is achieved economic growth will resume, the unemployment rate will decline, interest rates will come down, and we will remain competitive in our balance of payments.

"Most people are expecting some improvement in the economy this year. The members of the Federal Open Market Committee (of which Boykin is a member) expect inflation to continue to moderate in 1982.

"...I do believe that the changes in monetary and fiscal policy that have taken place are moving us in the right direction. I believe 1982 and 1983 will show a marked improvement in the overall economic climate if these policies continue. Reduced inflation and interest rates, a return of growth, and increases in productivity and jobs will bear out that the painful adjustment we have been going through was both necessary and worthwhile."

Responsive Service Is Goal of Call Program

An increased informational flow between the Dallas Fed and financial institutions and more responsive service from the Dallas Reserve Bank are expected to result from the Dallas Fed's new call program, which kicked off in early 1982.

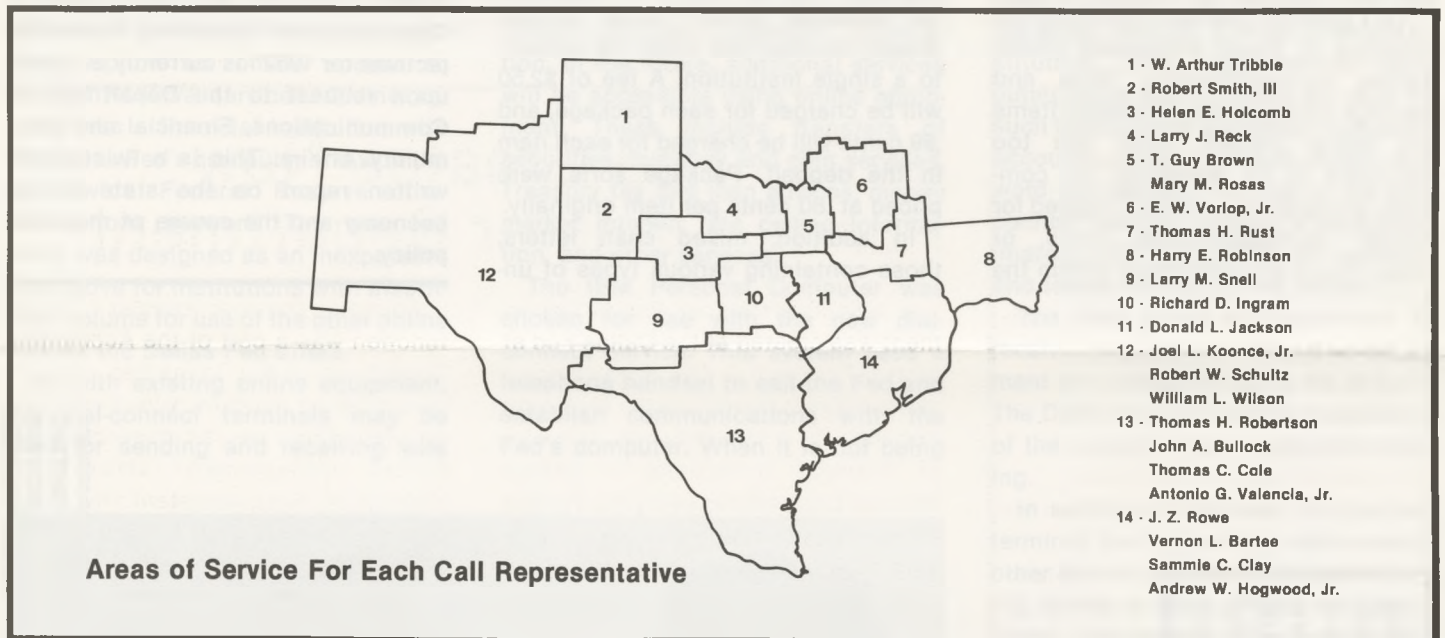
"Many misconceptions exist in the financial community regarding services available as a result of the Monetary Control Act," according to Larry N. Hill, assistant vice president of the Dallas Reserve Bank. The call program is designed to allow officers

of the branches at El Paso, Houston, and San Antonio will be calling on financial institutions in their territories.

The account representatives serving the Head Office territory include T. Guy Brown and Larry N. Hill, assistant vice presidents, and Helen E. Holcomb, manager, of communications, financial and community affairs; Richard D. Ingram, assistant vice president over checks processing, RCPC and adjustments; Donald L. Jackson, assistant vice president over cash; Larry J.

president in charge; Robert W. Schultz, assistant vice president over checks; and William L. Wilson, assistant vice president over cash, securities, accounting, ACH, loan and fiscal agency.

Visitation in the Houston territory will be made by J. Z. Rowe, senior vice president in charge; Vernon L. Bartee, assistant vice president over checks and RCPC; Sammie C. Clay, assistant vice president over accounting and loan; and Andrew W. Hogwood, Jr., assistant vice president over fiscal agency and public and institutional



and employees of financial institutions to learn about Fed services on a first-hand basis from Fed representatives.

A second major impetus for the new call program is servicing the accounts of the institutions using Fed services. Hill indicated that the Dallas Bank intends to take an active role in solving problems and resolving differences in the accounts. "Responsiveness will be the key to our relationships with financial institutions," he stated.

Hill and twelve other representatives from the Head Office will be calling on financial institutions in the Dallas territory and will serve as liaisons between the Dallas Fed and the institutions to which they make calls. The of-

Reck, vice president over cash, securities, and fiscal agency; Harry E. Robinson, senior vice president over cash, securities, and fiscal agency; Mary M. Rosas, assistant vice president over ACH, return items, and mailing; Thomas H. Rust, assistant vice president over accounting and transfers of funds; Robert Smith, III, vice president over communications, financial and community affairs; Larry M. Snell, assistant vice president over budget and control; W. Arthur Tribble, assistant general counsel; and E. W. Vorlop, Jr., vice president over accounting and transfers of funds.

Visitation in the El Paso territory will be made by Joel L. Koonce, Jr., vice

relations.

Visitation in the San Antonio territory will be made by Thomas H. Robertson, vice president in charge; John A. Bullock, assistant vice president over checks and RCPC; Thomas C. Cole, assistant vice president over cash and fiscal agency; and Antonio G. Valencia, Jr., assistant vice president over accounting and loan.

The call program is part of an overall program for the extension of Fed services which began with seminars explaining Fed services held in the fall of 1981 and includes a series of brochures describing each service which is available to financial institutions.

Revised Check Prices Effective April 1

The Dallas Fed has announced revisions in its schedule of fees for check processing services effective April 1. For the Eleventh Federal Reserve District, the changes will affect the prices charged for mixed cash letters, package sorts and nonmachineable items. All other prices will remain the same.

The new fees more accurately reflect the costs associated with providing check processing services and customer use of the services. Check processing was first priced in August, 1981.

Two general changes affecting the structure of check processing prices involve nonmachineable items and package sorts. Nonmachineable items are those checks which are too mutilated to be processed by computer. Separate fees will be charged for "local" nonmachineable items, or those drawn on institutions within the

local Federal Reserve office territory, and "other Fed" nonmachineable items, or those drawn on institutions in any other Federal Reserve office territory. This change was implemented because "other Fed" nonmachineable items must be handled twice within the Federal Reserve System and are therefore more expensive to process. Nonmachineable items, priced at 7.19 cents per item originally, will be 10.00 cents per item for "local" and 17.20 cents per item for "other Fed" beginning April 1.

A combination price will be charged for package sorts, those checks already bundled and ready for delivery to a single institution. A fee of \$2.50 will be charged for each package, and .99 cents will be charged for each item in the deposit. Package sorts were priced at .80 cents per item originally.

In addition, mixed cash letters, those containing various types of un-

sorted checks, will be priced at 2.40 cents per item, up from 2.22 cents per item.

Prices will not change at this time for all other types of cash letters sent to the Dallas Fed. These include city, RCPC, country, group sort, and other Fed cash letters. Prices announced are the same at all four offices of the Dallas Fed.

Summary Available

A summary of the Federal Reserve Board's February 10, 1982, report to Congress titled "Monetary Policy Objectives for 1982" is currently available upon request to the Department of Communications, Financial and Community Affairs. This is a twice-yearly written report on the state of the economy and the course of monetary policy.

Roundup is published monthly by the Federal Reserve Bank of Dallas and its Branches at El Paso, Houston, and San Antonio. Additional copies of most issues and subscription information are available from the Department of Communications, Financial and Community Affairs.

FEDERAL RESERVE BANK OF DALLAS
STATION K
DALLAS, TEXAS 75222
ADDRESS CORRECTION REQUESTED
TEXAS

