

FEDERAL RESERVE SYSTEM

12 CFR Part 229

[Regulation CC; Docket No. R-1160]

Availability of Funds and Collection of Checks

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board of Governors is amending appendix A of Regulation CC to delete the reference to the Pittsburgh check processing office of the Federal Reserve Bank of Cleveland and reassign the Federal Reserve routing symbols currently listed under that office to the head office of the Federal Reserve Bank of Cleveland. These amendments reflect the restructuring of check processing operations within the Federal Reserve System. The Board also is amending appendices A and E of Regulation CC to replace all references to Thomson Financial Publishing Inc. with more general references to “an agent of the American Bankers Association.”

DATES: The final rule will become effective on November 1, 2003.

FOR FURTHER INFORMATION CONTACT: Jack K. Walton II, Assistant Director (202/452-2660), or Jeffrey S. H. Yeganeh, Manager (202/728-5801), Division of Reserve Bank Operations and Payment Systems; or Adrienne G. Threatt, Counsel (202/452-3554), Legal Division. For users of Telecommunications Devices for the Deaf (TDD) only, contact 202/263-4869.

SUPPLEMENTARY INFORMATION: Regulation CC establishes the maximum period a depository bank may wait between receiving a deposit and making the deposited funds available for withdrawal.¹ A depository bank generally must provide faster availability for funds deposited by a “local check” than by a “nonlocal check.” A check drawn on a bank is considered local if it is payable by or at a bank located in the same Federal Reserve check processing region as the depository bank. A check drawn on a nonbank is considered local if it is payable through a bank located in the same Federal Reserve check processing region as the depository bank. Otherwise, a check is nonlocal.

Appendix A to Regulation CC contains a routing number guide that assists banks in identifying local and nonlocal banks and thereby determining the maximum permissible hold periods for most deposited checks. The appendix includes a list of each Federal Reserve check processing office and the first four digits of the routing number, known as the Federal Reserve routing symbol, of each bank that is served by that office.

¹ For purposes of Regulation CC, the term “bank” refers to any depository institution, including commercial banks, savings institutions, and credit unions.

Banks whose Federal Reserve routing symbols are grouped under the same office are in the same check processing region and thus are local to one another.

Earlier this year, the Federal Reserve Banks decided to reduce the number of locations at which they process checks.² As part of this restructuring process, the Pittsburgh office of the Federal Reserve Bank of Cleveland will cease processing checks on November 1, 2003. As of that date, banks with routing symbols currently assigned to the Pittsburgh office for check processing purposes will be reassigned to the Cleveland Reserve Bank's head office. As a result of this change, some checks that are drawn on and deposited at banks located in the Pittsburgh and Cleveland check processing regions and that currently are nonlocal checks will become local checks subject to faster availability schedules.

The Board accordingly is amending the list of routing symbols assigned to Fourth District check processing offices to reflect the transfer of operations from Pittsburgh to Cleveland and to assist banks in identifying local and nonlocal banks. These amendments are effective November 1, 2003, to coincide with the effective date of the underlying check processing changes. The Board is providing advance notice of these amendments to give affected banks ample time to make any needed processing changes. The advance notice will also enable affected banks to amend their availability schedules and related disclosures, if necessary, and provide their customers with notice of these changes.³ The Federal Reserve routing symbols assigned to all other Federal Reserve branches and offices will remain the same at this time. The Board of Governors, however, will issue similar notices at least sixty days prior to the elimination of check operations at some other Reserve Bank offices, as described in the announcement earlier this year.

The Board also is amending Regulation CC and its appendices to eliminate all references to Thomson Financial Publishing Inc., which has changed its name to TFP. To avoid having to make future changes because of a name change or substitution of service provider, the rule and appendices henceforth simply will refer to "an agent of the American Bankers Association."

Administrative Procedure Act

The Board has not followed the provisions of 5 U.S.C. 553(b) relating to notice and public participation in connection with the adoption of this final rule. The revisions to the appendices are technical in nature, and the routing symbol revisions are required by the statutory and regulatory definitions of "check-processing region." Because there is no substantive change on which to seek public input, the Board has determined that the § 553(b) notice and comment procedures are unnecessary.

² See 68 FR 31592, May 28, 2003.

³ Section 229.18(e) of Regulation CC requires that banks notify account holders who are consumers within 30 days after implementing a change that improves the availability of funds.

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3506; 5 CFR 1320 Appendix A.1), the Board reviewed the final rule under the authority delegated to the Board by the Office of Management and Budget. This technical amendment to appendix A of Regulation CC will delete the reference to the Pittsburgh check processing office of the Federal Reserve Bank of Cleveland and reassign the routing symbols listed under that office to the head office of the Federal Reserve Bank of Cleveland. The depository institutions that are located in the affected check processing regions and that include the routing symbols in their disclosure statements would be required to notify customers of the resulting change in availability under § 229.18(e). However, because all paperwork collection procedures associated with Regulation CC already are in place, the Board anticipates that no additional burden will be imposed as a result of this rulemaking.

12 CFR Chapter II

List of Subjects in 12 CFR Part 229

Banks, Banking, Federal Reserve System, Reporting and recordkeeping requirements.

Authority and Issuance

For the reasons set forth in the preamble, the Board is amending 12 CFR part 229 to read as follows:

PART 229 AVAILABILITY OF FUNDS AND COLLECTION OF CHECKS (REGULATION CC)

1. The authority citation for part 229 continues to read as follows:

Authority: 12 U.S.C. 4001 et seq.

2. The introductory sentence and the Fourth Federal Reserve District routing symbol list in appendix A are revised to read as follows:

APPENDIX A TO PART 229 – ROUTING NUMBER GUIDE TO NEXT-DAY AVAILABILITY CHECKS AND LOCAL CHECKS.

A. Each bank is assigned a routing number by an agent of the American Bankers Association. * * *

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FOURTH FEDERAL RESERVE DISTRICT

[Federal Reserve Bank of Cleveland]

Head Office

0410	2410
0412	2412
0430	2430
0432	2432
0433	2433
0434	2434

Cincinnati Branch

0420	2420
0421	2421
0422	2422
0423	2423

Columbus Office

0440	2440
0441	2441
0442	2442

* * * * *

3. Appendix E is amended by deleting the phrase “Thomson Financial Publishing Inc.” in sections II.DD., XVIII.A.2.b.ii., and XXII.B.2.b.i. and adding the phrase “an agent of the American Bankers Association” in its place.

By order of the Board of Governors of the Federal Reserve System, August 27, 2003.

(signed) Jennifer J. Johnson
Jennifer J. Johnson
Secretary of the Board.
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