

## **FEDERAL RESERVE SYSTEM**

### **12 CFR Part 229**

**[Regulation CC; Docket No. R-1192]**

#### **Availability of Funds and Collection of Checks**

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rule ; technical amendment.

**SUMMARY:** The Board of Governors is amending appendix A of Regulation CC to delete the reference to the San Antonio check processing office of the Federal Reserve Bank of Dallas and reassign the Federal Reserve routing symbols currently listed under that office to the head office of the Federal Reserve Bank of Dallas. These amendments reflect the restructuring of check processing operations within the Federal Reserve System.

**DATES:** The final rule will become effective on July 10, 2004.

**FOR FURTHER INFORMATION CONTACT:** Jack K. Walton II, Assistant Director (202/452-2660), or Joseph P. Baressi, Senior Financial Services Analyst (202/452-3959), 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.<sup>1</sup> 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. Checks that do not meet the requirements for “local” checks are considered “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. 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.

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

As explained in detail in the Board's final rule published in the Federal Register on May 28, 2003, the Federal Reserve Banks decided in early 2003 to reduce the number of locations at which they process checks.<sup>2</sup> As part of this restructuring process, the San Antonio office of the Federal Reserve Bank of Dallas will cease processing checks on July 10, 2004. As of that date, banks with routing symbols currently assigned to the San Antonio office for check processing purposes will be reassigned to the Dallas Reserve Bank's head office. As a result of this change, some checks that are drawn on and deposited at banks located in the San Antonio and Dallas check processing regions and that currently are nonlocal checks will become local checks subject to faster availability schedules.

The Board accordingly is amending the lists of routing symbols assigned to Eleventh District check processing offices to reflect the transfer of operations from San Antonio to Dallas and to assist banks in identifying local and nonlocal banks. These amendments are effective July 10, 2004, 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.<sup>3</sup> 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, intends to issue similar notices at least sixty days prior to the elimination of check operations at some other Reserve Bank offices, as described in the May 2003 Federal Register document.

### **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.

### **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 has reviewed the final rule under authority delegated to the Board by the Office of Management and Budget. This technical amendment to

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<sup>2</sup> See 68 FR 31592, May 28, 2003. In addition to the general advance notice of future amendments previously provided by the Board, as well as the Board's notices of final amendments, the Reserve Banks are striving to inform affected depository institutions of the exact date of each office transition at least 120 days in advance. The Reserve Banks' communications to affected depository institutions are available at [www.frb services.org](http://www.frb services.org).

<sup>3</sup> 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.

appendix A of Regulation CC will delete the reference to the San Antonio check processing office of the Federal Reserve Bank of Dallas and reassign the routing symbols listed under that office to the head office of the Federal Reserve Bank of Dallas. The depository institutions that are located in the affected check processing regions and that include the routing numbers 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 Eleventh Federal Reserve District routing symbol list in appendix A is revised to read as follows:

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

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**ELEVENTH FEDERAL RESERVE DISTRICT**

[Federal Reserve Bank of Dallas]

Head Office

1110	3110
1111	3111
1113	3113
1119	3119
1120	3120
1122	3122
1123	3123
1140	3140
1149	3149
1163	3163

Houston Branch

1130	3130
1131	3131

\* \* \* \* \*

By order of the Board of Governors of the Federal Reserve System, acting through the Secretary of the Board under delegated authority, May 4, 2004.

(signed) Jennifer J. Johnson

Jennifer J. Johnson

Secretary of the Board.

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