

FEDERAL RESERVE SYSTEM

12 CFR Part 229

[Regulation CC; Docket No. R-1224]

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 (1) delete the reference to the Detroit branch office of the Federal Reserve Bank of Chicago and reassign the Federal Reserve routing symbols currently listed under that office to the head office of the Federal Reserve Bank of Cleveland and (2) delete the reference to the Houston branch office of the Federal Reserve Bank of Dallas and reassign the routing numbers listed under that office to the head office of that Reserve Bank. These amendments will ensure that the information in appendix A accurately describes the structure of check processing operations within the Federal Reserve System.

DATES: The amendments to appendix A under the Fourth and Seventh Federal Reserve Districts (Federal Reserve Banks of Cleveland and Chicago) are effective on April 16, 2005. The amendments to appendix A under the Eleventh Federal Reserve District (Federal Reserve Bank of Dallas) are effective on April 23, 2005.

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.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. 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

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

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 for check processing purposes. 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.

As explained in detail in the Board's final rule published in the Federal Register on September 28, 2004, the Federal Reserve Banks have decided to reduce further the number of locations at which they process checks.² The amendments set forth in this notice are part of a series of appendix A amendments related to that decision, and the Board will issue separate notices for each phase of the restructuring.³

As part of the restructuring process, the Detroit branch office of the Federal Reserve Bank of Chicago will cease processing checks on April 16, 2005, and banks with routing symbols currently assigned to that office for check processing purposes will be reassigned to the Federal Reserve Bank of Cleveland's head office. The Houston branch office of the Federal Reserve Bank of Dallas will cease processing checks on April 23, 2005, and banks with routing symbols currently assigned to that office for check processing purposes will be reassigned to the Federal Reserve Bank of Dallas's head office. As a result of these changes, some checks that are drawn on and deposited at banks located in the affected check processing regions and that currently are nonlocal checks will become local checks subject to faster availability schedules. Because the Cleveland check processing region will serve banks located in more than one Federal Reserve District, banks located in the expanded Cleveland check processing region cannot determine that a check is nonlocal solely because the paying bank for that check is located in another Federal Reserve district.

To assist banks in identifying local and nonlocal banks, the Board accordingly is amending the lists of routing symbols associated with the Federal Reserve Banks of Cleveland, Chicago, and Dallas to conform to the transfer of operations (1) from the Chicago Reserve Bank's Detroit branch office to the Cleveland Reserve Bank's head office and (2) from the Dallas Reserve Bank's Houston branch office to that Reserve Bank's head office. To coincide with the effective date of the underlying check processing changes, the amendments affecting the Federal Reserve Banks of Cleveland and Chicago are effective April 16, 2005, and the amendments affecting the Federal Reserve Bank of Dallas are effective April 23, 2005. The Board is providing advance notice of these amendments to give affected banks ample time to make any needed processing changes. The advance notice also will enable affected banks to amend their availability schedules and related disclosures, if necessary, and provide their customers

² See 69 FR 57837, September 28, 2004.

³ In addition to the general advance notice of future amendments provided by the Board, and 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.

with notice of these changes.⁴ 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 September 2004 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 appendix 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. These technical amendments to appendix A of Regulation CC will (1) delete the reference to the Detroit branch office of the Federal Reserve Bank of Chicago and reassign the routing symbols listed under that office to the head office of the Federal Reserve Bank of Cleveland and (2) delete the reference to the Houston branch office of the Federal Reserve Bank of Dallas and reassign the routing symbols listed under that office to the Dallas Reserve Bank’s head office. 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, 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:

⁴ 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.

**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. 4001–4010, 12 U.S.C. 5001–5018.

2. The Fourth, Seventh, and Eleventh Federal Reserve District routing symbol lists 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**

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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
0720	2720
0724	2724

Cincinnati Branch

0420	2420
0421	2421
0422	2422
0423	2423
0515	2515
0519	2519
0740	2740
0749	2749
0813	2813
0830	2830
0839	2839
0863	2863

Columbus Office

0440	2440
0441	2441
0442	2442

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SEVENTH FEDERAL RESERVE DISTRICT

[Federal Reserve Bank of Chicago]

Head Office

0710	2710
0711	2711
0712	2712
0719	2719
0750	2750
0759	2759

Des Moines Office

0730	2730
0739	2739
1040	3040
1041	3041
1049	3049

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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
1130	3130
1131	3131

1140	3140
1149	3149
1163	3163

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By order of the Board of Governors of the Federal Reserve System, acting through the Secretary of the Board under delegated authority, February 16, 2005.

Robert deV. Frierson (signed)
Robert deV. Frierson
Deputy Secretary of the Board.