

FEDERAL RESERVE SYSTEM

12 CFR Part 229

[Regulation CC; Docket No. R-1339]

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 (Board) is amending the routing number guide to next-day availability checks and local checks in Regulation CC to delete the reference to the Des Moines office of the Federal Reserve Bank of Chicago and to reassign the Federal Reserve routing symbols currently listed under that office to the head office of the Federal Reserve Bank of Chicago. These amendments reflect the restructuring of check-processing operations within the Federal Reserve System.

DATES: The final rule will become effective on January 31, 2009.

FOR FURTHER INFORMATION CONTACT: Jeffrey S. H. Yeganeh, Financial Services Manager (202/728-5801), or Joseph P. Baressi, Financial Services Project Leader (202/452-3959), Division of Reserve Bank Operations and Payment Systems; or Sophia H. Allison, Senior Counsel (202/452-3565), 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 is considered local if it is payable by or at or through a bank located in the same Federal Reserve check-processing region as the depository bank.

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 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.

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

On January 31, 2009, the Reserve Banks will transfer the check-processing operations of the Des Moines office of the Federal Reserve Bank of Chicago to the head office of the Federal Reserve Bank of Chicago.² As a result of this change, some checks that are drawn on and deposited at banks located in the Des Moines and Chicago check-processing regions and that currently are nonlocal checks will become local checks subject to faster availability schedules. To assist banks in identifying local and nonlocal checks and making funds availability decisions, the Board is amending the list of routing symbols in appendix A associated with the Federal Reserve Bank of Chicago to reflect the transfer of check-processing operations from the Des Moines office to the head office of the Federal Reserve Bank of Chicago. To coincide with the effective date of the underlying check-processing changes, the amendments to appendix A are effective January 31, 2009. The Board is providing notice of the amendments at this time to give affected banks ample time to make any needed processing changes. Early notice also will enable affected banks to amend their availability schedules and related disclosures if necessary and provide their customers with notice of these changes.³

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 the final rule. The revisions to appendix A are technical in nature and 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. In addition, the underlying consolidation of Federal Reserve Bank check-processing offices involves a matter relating to agency management, which is exempt from notice and comment procedures.

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. The technical amendment to appendix A of Regulation CC will delete the reference to the Des Moines 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 Chicago. 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

² The Reserve Banks announced in March 2008 that the check-processing operations of the Des Moines office would be transferred to the head office of the Federal Reserve Bank of Cleveland in the third quarter of 2009. See <http://www.federalreserve.gov/newsevents/press/other/20080331a.htm>. Banks in the current Des Moines, Chicago, and Cleveland check-processing regions should note that the Federal Reserve Banks’ transfer of the Des Moines office’s check-processing operations to the Chicago head office differs from that announcement. The Reserve Banks believe that this arrangement will better serve the needs of affected depository institutions.

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.

the resulting change in availability under § 229.18(e). However, all paperwork collection procedures associated with Regulation CC already are in place, and the Board accordingly anticipates that no additional burden will be imposed as a result of this rulemaking.

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:

**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 Seventh 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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SEVENTH FEDERAL RESERVE DISTRICT

[Federal Reserve Bank of Chicago]

Head Office

0710	2710
0711	2711
0712	2712
0719	2719
0730	2730
0739	2739
0750	2750
0759	2759
1040	3040
1041	3041
1049	3049

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By order of the Board of Governors of the Federal Reserve System, November
18, 2008.

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