



October 22, 2003

Stephen M. Vajs
Director, Risk Management Division
Financial Management Service
U.S. Department of the Treasury
Room 423
401 14th Street, SW
Washington, DC 20227

Re: 31 CFR Part 210 -- Government Participation in the Automated Clearing House ("ACH") Network

Dear Mr. Vajs:

World Savings appreciates the opportunity to comment in response to the notice of proposed rulemaking issued by the Department of the Treasury, Financial Management Service (FMS), regarding proposed amendments to 31CFR 210, which governs the use of the Automated Clearing House system by the Federal agencies.

World Savings responses to the specific areas of the proposal are summarized below:

- **Eligibility of Additional Instruments** – We agree that there needs to be an expansion of the paper items that are considered eligible for conversion. World Savings is hoping that with the FMS's expansion of the definition of "business check" the FMS will assist in the education of the general public on ACH transactions. By permitting agencies to use these instruments as source documents in originating ACH debit entries, the general public should become more comfortable with the conversion of check to ACH.
- **Expanded Accounts Receivable** – We agree that checks delivered in person in circumstances in which it is impossible or impractical for the agency to image and return the check at the time the check is delivered should be eligible for conversion for ARC.
- **Re-Presented Check Entry Service Fees** – We agree with the allowing of agencies to be able to originate a one-time service fee in connection with an RCK entry if prior notice of the fee is given. In the check world, prior notice is enough notification to the check writer that if their check is returned for Insufficient or Uncollected funds that the check writer will be assessed a fee.
- **RDFI Receipt of ACH Credit Entry** – We believe that the proposed notice of Misdirected Payment should state the specific circumstances the Department of the Treasury would consider or constitute an RDFI becoming aware that the agency has originated an ACH credit entry to an account that is not owned by the payee whose name appears in the ACH payment information.

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- **Use of R15 or R14 Return Reason Codes** – We agree with the adding of the sentence that the use of the R15 or R14 codes by an RDFI will satisfy the RDFI's obligation to notify the agency after learning of the death of a recipient or beneficiary.
- **Limit RDFI Liability on required information to provide on Notice of Reclamation** – We agree on the limits being set on the information the RDFI is required to provide in order to limit its liability in the case of receiving a Notice of Reclamation.

The U.S. Government is the single largest ACH Originator and because its rules apply to a significant portion of the total ACH volume, World Savings is in favor of the rule changes that the FMS is proposing. World Savings is hoping that the FMS changes will assist in the education of the general public on ACH transactions. World Savings hopes that these changes will be a positive progression towards the goal of standardized regulations for all ACH transactions.

Thank you again for granting us the opportunity to reply to your request for comment. If you have any questions or would like to discuss any of World Savings comments, please feel free to contact me by e-mail at pcowger237@worldsavings.com or by telephone at (210) 543-4492.

Sincerely,

A handwritten signature in cursive script that reads "Peter R. Cowger".

Peter R. Cowger
Group Senior Vice President
Payment Systems