

## **FEDERAL RESERVE SYSTEM**

### **12 CFR Part 229**

**[Regulation CC; Docket No. R-1317]**

#### **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 appendix A of Regulation CC to delete the reference to the Memphis branch office of the Federal Reserve Bank of St. Louis and reassign the Federal Reserve routing symbols currently listed under that office to the head office of the Federal Reserve Bank of Atlanta. In addition, the Board is providing advance notice regarding future amendments to appendix A that are anticipated in connection with the Reserve Banks' restructuring of the check-processing operations within the Federal Reserve System.

**DATES:** The final rule will become effective on July 19, 2008.

**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 Heatherun Sophia Allison (202/452-3565), Senior Counsel, Legal Division. For users of Telecommunications Devices for the Deaf (TDD) only, contact 202/263-4869.

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

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."

---

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

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.

### **Final Amendments to Appendix A**

On July 19, 2008, the Reserve Banks will transfer the check-processing operations of the Memphis branch office of the Federal Reserve Bank of St. Louis to the head office of the Federal Reserve Bank of Atlanta.<sup>2</sup> To assist banks in identifying local and nonlocal checks and making funds availability decisions, the Board is amending the lists of routing symbols in appendix A associated with the Federal Reserve Banks of St. Louis and Atlanta to reflect the transfer of check-processing operations from the Memphis branch office to the Atlanta head office. To coincide with the effective date of the underlying check-processing changes, the amendments to appendix A are effective July 19, 2008. 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.<sup>3</sup>

### **Information About Anticipated Future Changes to Appendix A**

The Federal Reserve Banks announced on March 31, 2008, that they are accelerating their planned reductions in the number of locations at which they process checks.<sup>4</sup> These steps are being taken in response to the continued nationwide decline in check usage and to position the Reserve Banks more effectively to meet the cost recovery requirements of the Monetary Control Act of 1980. Whereas they had previously announced that the transitions would take place by early 2011, the Reserve Banks now plan to cease check-processing operations at all of their check-processing offices except four – Philadelphia, Cleveland, Atlanta, and Dallas – by early 2010. As a result of the accelerated schedule, the tentative dates in the Board's earlier *Federal Register* notice (73 FR 01267, Jan. 8, 2008) regarding this matter are no longer accurate. Moreover, the accelerated schedule set forth in the Reserve Banks' March 2008 announcement is

---

<sup>2</sup> The Reserve Banks announced in June 2007 that the check-processing operations of the Memphis branch office would be transferred to the Atlanta head office in the third quarter of 2008. See <http://www.federalreserve.gov/newsevents/press/other/20070626a.htm>.

<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.

<sup>4</sup> See <http://www.federalreserve.gov/newsevents/press/other/20080331a.htm>.

subject to further review and may change. Institutions seeking the most current information should consult the Reserve Banks' check-restructuring website.<sup>5</sup>

The Board plans to amend appendix A in connection with each stage of the restructuring to delete the names of the offices that will no longer process checks and transfer the affected Federal Reserve routing symbols to other check-processing offices. The Board intends to provide notice of each amendment to appendix A approximately 60 days prior to the effective date of the amendment in order to give affected banks ample time to make processing changes and, if necessary, amend their availability schedules and related disclosures and provide their customers with notice of any changes to their availability schedules.

### **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 amendments to appendix A of Regulation CC will delete the reference to the Memphis branch office of the Federal Reserve Bank of St. Louis and reassign the routing symbols listed under that office to the head office of the Federal Reserve Bank of Atlanta. 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, 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**

---

<sup>5</sup> [http://www.frbservices.org/communications/check\\_restructuring.html](http://www.frbservices.org/communications/check_restructuring.html).

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 Sixth and Eighth 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**

\* \* \* \* \*

**SIXTH FEDERAL RESERVE DISTRICT**

[Federal Reserve Bank of Atlanta]

Head Office

0610	2610
0611	2611
0612	2612
0613	2613
0620	2620
0621	2621
0622	2622
0640	2640
0641	2641
0642	2642
0650	2650
0651	2651
0652	2652
0653	2653
0654	2654
0655	2655
0820	2820
0829	2829
0840	2840
0841	2841
0842	2842
0843	2843

Jacksonville Branch

0630	2630
0631	2631
0632	2632
0660	2660
0670	2670

\* \* \* \* \*

**EIGHTH FEDERAL RESERVE DISTRICT**

[Federal Reserve Bank of St. Louis]

Head Office

0810	2810
0812	2812
0815	2815
0819	2819
0865	2865

\* \* \* \* \*

By order of the Board of Governors of the Federal Reserve System, acting through the Secretary of the Board under delegated authority, May 13, 2008.

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