

## **FEDERAL RESERVE SYSTEM**

### **12 CFR Part 229**

**[Regulation CC; Docket No. R-1183]**

#### **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 head office of the Federal Reserve Bank of Richmond and reassign the Federal Reserve routing symbols currently listed under that office to the Federal Reserve Bank of Richmond's Baltimore office and delete the reference to the Omaha check processing office of the Federal Reserve Bank of Kansas City and reassign the Federal Reserve routing symbols currently listed under that office to the Des Moines office of the Federal Reserve Bank of Chicago. These amendments reflect the restructuring of check processing operations within the Federal Reserve System.

**DATES:** The amendment to Appendix A under the Fifth Federal Reserve District (Federal Reserve Bank of Richmond) is effective on April 17, 2004. The amendments to Appendix A under the Seventh and Tenth Federal Reserve Districts (Federal Reserve Banks of Chicago and Kansas City) are effective on April 24, 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."

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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.

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.

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 head office of the Federal Reserve Bank of Richmond will cease processing checks on April 17, 2004, and banks with routing symbols currently assigned to that office for check processing purposes will be reassigned to the Federal Reserve Bank of Richmond's Baltimore office. The Omaha office of the Federal Reserve Bank of Kansas City will cease processing checks on April 24, 2004, and banks with routing symbols currently assigned to that office for check processing purposes will be reassigned to the Des Moines office of the Federal Reserve Bank of Chicago. 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. Also, after April 24, 2004, the restructured Des Moines check processing region will cross Federal Reserve District lines. Banks located in that region therefore no longer will be able to 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 Richmond, Kansas City, and Chicago to reflect the transfer of operations (1) from the Federal Reserve Bank of Richmond's head office to that Reserve Bank's Baltimore office and (2) from the Federal Reserve Bank of Kansas City's Omaha office to the Federal Reserve Bank of Chicago's Des Moines office. The amendments affecting the Federal Reserve Bank of Richmond are effective April 17, 2004, and the amendments affecting the Federal Reserve Banks of Kansas City and Chicago are effective April 24, 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

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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.

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 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. This technical amendment to appendix A of Regulation CC will (1) delete the reference to the head office of the Federal Reserve Bank of Richmond and reassign the routing symbols listed under that office to the Baltimore office of the Federal Reserve Bank of Richmond and (2) delete the reference to the Omaha office of the Federal Reserve Bank of Kansas City and reassign the routing symbols listed under that office to the Des Moines 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 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:

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**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 Fifth, Seventh, and Tenth 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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**FIFTH FEDERAL RESERVE DISTRICT**

[Federal Reserve Bank of Richmond]

Baltimore Branch

0510	2510
0514	2514
0520	2520
0521	2521
0522	2522
0540	2540
0550	2550
0560	2560
0570	2570

Charlotte Branch

0530	2530
0531	2531

Columbia Office

0532	2532
0539	2539

Charleston Office

0515	2515
0519	2519

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**SEVENTH FEDERAL RESERVE DISTRICT**

[Federal Reserve Bank of Chicago]

Head Office

0710	2710
0711	2711
0712	2712
0719	2719

Detroit Branch

0720	2720
0724	2724

Des Moines Office

0730	2730
0739	2739
1040	3040
1041	3041
1049	3049

Indianapolis Office

0740	2740
0749	2749

Milwaukee Office

0750	2750
0759	2759

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**TENTH FEDERAL RESERVE DISTRICT**

[Federal Reserve Bank of Kansas City]

Head Office

1010	3010
1011	3011
1012	3012
1019	3019

Denver Branch

1020	3020
1021	3021
1022	3022
1023	3023
1070	3070

Oklahoma City Branch

1030	3030
1031	3031
1039	3039

\* \* \* \* \*

By order of the Board of Governors of the Federal Reserve System, acting through the Secretary of the Board under delegated authority, February 6, 2004.

(signed) Jennifer J. Johnson

Jennifer J. Johnson  
Secretary of the Board.  
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