



FEDERAL RESERVE BANK  
OF DALLAS

HELEN E. HOLCOMB  
FIRST VICE PRESIDENT AND  
CHIEF OPERATING OFFICER

DALLAS, TEXAS  
75265-5906

November 27, 2000

**Notice 00-73**

**TO:** The Chief Operating Officer of each  
financial institution and others concerned  
in the Eleventh Federal Reserve District

**SUBJECT**

**2001 Fee Changes**

**DETAILS**

The Board of Governors of the Federal Reserve System approved priced service fee changes for 2001, which will become effective January 2, 2001.

**Electronic Services**

After several years of fee reductions, fees across all electronic payment services will remain stable in 2001. This price stability reflects the continued ability of the Federal Reserve to capitalize on the operational efficiencies in providing payment services through the centralization of its electronic payment processing facilities and applications.

After five years of consecutive fee reductions, the *Fedwire Funds Transfer* fees and volume-based fee structure will remain unchanged in 2001. *National Net Settlement* service fees and *Purchase and Sale* transaction fees will remain stable as well. Service fees will also remain unchanged for *Book-Entry Securities* online transfers after two years of fee reductions, and for *Automated Clearinghouse (ACH)* transactions after five years of fee decreases.

**Offline Book-Entry Securities Transactions**

Due to the additional costs of processing offline transactions, the Book-Entry Securities offline surcharge will increase from \$18 to \$25.

**Check Services**

For 2001, Reserve Banks will adopt several operational and pricing strategies designed to improve the efficiency and quality of Federal Reserve *Check* services. Specifically,

Reserve Banks will adopt several new pricing strategies to improve the quality of return check deposits and reduce the risk associated with the check payments system. Reserve Banks will begin explicit pricing for certain categories of return item exceptions that can be identified in Reserve Bank and customer processing operations. In addition, Reserve Banks will implement a surcharge on deposited commercial checks with a value of \$10 million or more. These pricing strategies, which will be introduced during the second quarter 2001, are expected to encourage depositors to improve the quality of their return check deposits and to explore alternative, more secure methods of making large-dollar payments. More details regarding these items will be forwarded at least 60 days before implementation.

Reserve Banks also will continue making strategic investments in check automation and electronic check technologies. These important investments reflect the Federal Reserve System's commitment to modernizing check services and are expected to improve Reserve Bank operating efficiency and quality. Additional information regarding the check modernization initiative has recently been distributed to your institution.

### **Electronic Connections**

For FedLine® and Computer Interface (CI) customers, current fees for access to the Federal Reserve's FEDNET network will remain unchanged in 2001, with the exception of fees for Multi-Drop connections. The Multi-Drop fee, which has not changed since 1995, will increase from \$450 to \$500.

The migration of customers with Multi-Drop, Dedicated-Leased, and High-Speed Leased connections to new Frame Relay network options, accompanied by new security and communication hardware, was initiated during third quarter 2000 and is scheduled for completion by mid-2002. Conversion to the Frame Relay network will allow customers to benefit from significantly increased speed, functionality and security. In addition, fees for a Frame Relay connection will be, in most cases, lower or the same as the 2001 fees for an electronic connection through FEDNET. Fees for Frame Relay connections will become effective January 2, 2001, or as of the month following the conversion of a FEDNET customer to the Frame Relay network, whichever is later.

### **Accounting Services**

To encourage electronic delivery of Accounting information through our computer interface, FedLine® and FedMail delivery services, the Federal Reserve fee for paper delivery of IAS Statement of Account will increase from \$75 to \$100. Fees for IAS Cash Management Services will also increase from \$75 to \$80.

### **Noncash Collection Service**

The return item fee for municipal bond collections will increase from \$15 to \$20 for each item returned to the depositor as uncollected. All other Noncash Collection fees will remain at their current levels.

### **Special Cash Services**

The El Paso office fee for special cash services (late orders) will increase from \$60 to \$80.

### **2001 PSAF**

The Board also has approved the 2001 private sector adjustment factor (PSAF) for Reserve Bank priced services of \$206.9 million, an increase of \$14.2 million or 7.4 percent from the 2000 PSAF of \$192.6 million. The PSAF is an allowance for taxes and other imputed expenses that would have been paid and return on capital that would have been provided had the Federal Reserve's priced services been provided by a private business.

### **FOR MORE INFORMATION**

For complete product and fee schedule information for nationally provided services, please visit the Federal Reserve's Financial Services web site at <http://www.frbservices.org>. Locally priced service fee information (check and cash) can be found at the Eleventh District Federal Reserve web site at <http://www.dallasfed.org/services/fee/index.html>. Detailed fee schedules will be distributed in a few days.

Sincerely,

A handwritten signature in cursive script that reads "Helen E. Holcomb".