



January 29, 2008

Restructuring Updates Concerning a Change to Appendix A of Regulation CC – Utica and Former East Rutherford Zone Institutions

To the Chief Operations Officers and Check Contacts of All Check Services Customers in the Utica and former East Rutherford zones of the Federal Reserve Bank of New York:

As we announced in previous communications, check processing for 0213 and 2213 endpoints moves to the Federal Reserve Bank of Philadelphia effective March 28, 2008. Please be reminded of a change to Appendix A of Federal Reserve Regulation CC, Availability of Funds and Collection of Checks, which will take effect as a result of this shift in processing.

As you know, Regulation CC establishes the maximum period a depository bank may wait between receiving a deposit and making the deposited funds available for withdrawal. A depository bank generally must provide faster availability for funds deposited by a “local check” than by a “nonlocal check.”

To reflect the move of check processing operations from the Utica office to the Federal Reserve Bank of Philadelphia, the Board of Governors on January 2, 2008, issued amendments to Appendix A of Regulation CC. Effective March 29, 2008, banks with 0213 and 2213 routing symbols, currently assigned to the Utica office, will be reassigned to the head office of the Federal Reserve Bank of Philadelphia and subsequently classified as Philadelphia zone institutions. As a result, your check processing region will change. 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. At the same time, for Utica zone institutions, some checks that are currently local checks will become nonlocal checks under Regulation CC (e.g., Buffalo zone items will be nonlocal under Regulation CC).

Depository banks in Puerto Rico or the US Virgin Islands may continue to extend the hold period for certain deposited checks by one business day. This right to extend does not apply to checks drawn on Puerto Rico or Virgin Islands institutions that are deposited in the continental US (see section 229.12(e) of Regulation CC).

The Federal Register notice may be viewed by going to the following web link:
<http://www.federalreserve.gov/newsevents/press/bcreg/20080102a.htm>

It is important to remember this change affects **only** the availability you must provide your depositors for certain checks deposited and has no impact on the availability the Federal Reserve provides you for your deposited cash letters. Your current sort patterns should not be changed because of this amendment to Regulation CC.

In addition to changes to deposit availability schedules mandated by Regulation CC, you should also remember that part 34 of the general regulations of the New York State Banking Board may affect how quickly you must make certain deposits available for withdrawal by your customers.

We appreciate your patience as we near the March 28 move of Utica check processing for 0213 and 2213 endpoints to the Federal Reserve Bank of Philadelphia. For your convenience, check restructuring information may also be found on FRBservices.org in the Check Restructuring Resource Center found in the News and Communications section under “Communications.”

Please contact your account executive directly, or at (888) 596-5471 if you need further information.

Sincerely,

Larry Whitney
Vice President, Check
Federal Reserve Bank of New York