



December 22, 2009

**Paper Check Processing Restructuring Update:
Seattle Print Site to Close on March 5, 2010**

To: Chief Operations Officers and Check Contacts at Depository Institutions in the Seattle and Portland Zones who Receive Paper Forward or Return items

Over the past several years, the Reserve Banks have been restructuring their paper check processing configuration in response to rapidly declining paper volumes. In November, 2008, we announced an accelerated restructuring timeline that will result in a single full service paper check processing site at the Federal Reserve Bank of Cleveland in early 2010.

As part of this initiative, the Reserve Banks are also evaluating remote print locations to determine when the activities can be further consolidated. Due to the high adoption rate of FedReceipt[®] and FedReceipt Returns by Seattle and Portland zone financial institutions, a decision has been made to discontinue printing at the Seattle Office. Effective March 5, 2010, the print site currently located at the Seattle Office of the Federal Reserve Bank of San Francisco will close and all paper forward and return items will be printed and dispatched from Los Angeles.

Beginning with the presentment on March 8, 2010, Seattle and Portland zone financial institutions will receive their paper forward and return items from the Los Angeles Office. This includes items delivered on Federal Reserve-sponsored transportation as well as items previously sent via non-Federal Reserve sponsored transportation (i.e. through US Mail, FedEx[®] or UPS[®]) from the Seattle Office. There will be no impact to your institution if your items are currently sent via mail or FedEx from Cleveland. Financial institutions that pick up items at the Seattle Office will be notified in January of a new pick-up location.

If you've not already done so, I encourage you to explore the advantages of moving to the Federal Reserve Banks' Check 21-enabled services including FedForward[®], FedReturn[®], FedReceipt[®], and FedReceipt for Returns to minimize the disruption that may occur as a result of the Seattle print site closing. Customers who are using Check 21-enabled services will experience minimal change to their daily operation after the Seattle print site closing.

Should you have questions or concerns, or to learn more about the advantages of moving from paper to full Check 21 electronic check processing, contact your account executive as soon as possible. We appreciate your patience during this time and look forward to continuing to provide you with efficient, high-quality payment services.

Sincerely,

A handwritten signature in black ink that reads "Howard Ng".

Howard Ng
Director
Federal Reserve Bank of San Francisco