



FEDERAL RESERVE BANK  
OF DALLAS

HELEN E. HOLCOMB  
FIRST VICE PRESIDENT AND  
CHIEF OPERATING OFFICER

October 17, 2001

DALLAS, TEXAS  
75265-5906

**Notice 01-77**

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

**SUBJECT**

**Deadline Extended for Comment on Potential  
Longer-term Direction of the Payments System Risk Policy**

**DETAILS**

The Board of Governors of the Federal Reserve System has extended the deadline for its request for comment on the potential longer-term direction of the payments system risk policy. The longer-term policy options include the following:

- 1) Lowering single-day net debit cap levels to approximately the current two-week average cap levels and eliminating the two-week average net debit cap;
- 2) Implementing a two-tiered pricing regime for daylight overdrafts such that institutions pledging collateral to the Reserve Banks pay a lower fee on their collateralized daylight overdrafts than on their uncollateralized daylight overdrafts; and
- 3) Monitoring in real time all payments with settlement-day finality and rejecting those payments that would cause an institution to exceed its net debit cap or daylight overdraft capacity level.

The Board must receive comments by November 16, 2001. Please address comments to Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and C Streets, N.W., Washington, DC 20551. Also, you may mail comments electronically to [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). All comments should refer to Docket No. R-1111.

**ATTACHMENT**

A copy of the Board's notice as it appears on page 49385, Vol. 66, No. 188 of the *Federal Register* dated September 27, 2001, is attached.

**MORE INFORMATION**

For more information, please contact this Bank's Reserve and Risk Management Division at (214) 92-5584. For additional copies of this Bank's notice, contact the Public Affairs Department at (214) 922-5254 or access District Notices on our web site at <http://www.dallasfed.org/banking/notices/index.html>.

Sincerely,

*Helen E. Holcomb*

their collateralized daylight overdrafts than on their uncollateralized daylight overdrafts, and (3) monitoring in real time all payments with settlement-day finality and rejecting those payments that would cause an institution to exceed its net debit cap or daylight overdraft capacity level.

**DATES:** Comments must be received by November 16, 2001.

**ADDRESSES:** Comments, which should refer to Docket No. R-1111, may be mailed to Ms. Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, D.C. 20551 or mailed electronically to [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Comments addressed to Ms. Johnson also may be delivered to the Board's mailroom between 8:45 a.m. and 5:15 p.m. and to the security control room outside of those hours. Both the mailroom and the security control room are accessible from the courtyard entrance on 20th Street between Constitution Avenue and C Street, NW. Comments may be inspected in Room MP-500 between 9 a.m. and 5 p.m. weekdays, pursuant to § 261.12, except as provided in § 261.14, of the Board's Rules Regarding Availability of Information, 12 CFR 261.12 and 261.14.

**FOR FURTHER INFORMATION CONTACT:** Paul Bettge, Associate Director (202/452-3174), Stacy Coleman, Manager (202/452-2934), or John Gibbons, Senior Financial Services Analyst (202/452-6409), Division of Reserve Bank Operations and Payment Systems.

**SUPPLEMENTARY INFORMATION:** As a result of the terrorist attacks that occurred on September 11, some organizations with an interest in the potential longer-term policy direction of the Board's payments system risk policy have had to devote significant resources to ensuring the continued smooth functioning of the

payments systems and financial markets. The Board has extended the comment deadline to provide these organizations with adequate time to analyze the issues raised in the notice and to incorporate their perspectives on recent financial market experiences.

By order of the Board of Governors of the Federal Reserve System, September 21, 2001.

**Jennifer J. Johnson,**

*Secretary of the Board.*

[FR Doc. 01-24132 Filed 9-26-01; 8:45 am]

**BILLING CODE 6210-01-P**

## FEDERAL RESERVE SYSTEM

[Docket No. R-1111]

### Policy Statement on Payments System Risk Potential Longer-Term Policy Direction

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Extension of comment deadline.

**SUMMARY:** The Board has extended the deadline for its request for comment on the potential longer-term direction of its payments system risk (PSR) policy (66 FR 30208, June 6, 2001). The longer-term policy options include the following: (1) Lowering single-day net debit cap levels to approximately the current two-week average cap levels and eliminating the two-week average net debit cap, (2) implementing a two-tiered pricing regime for daylight overdrafts such that institutions pledging collateral to the Reserve Banks pay a lower fee on