



FEDERAL RESERVE BANK OF DALLAS

2200 N. PEARL ST.
DALLAS, TX 75201-2272

HELEN E. HOLCOMB
FIRST VICE PRESIDENT AND
CHIEF OPERATING OFFICER

October 28, 2004

Notice 04-76

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

SUBJECT

Amendments to Operating Circular 3 to Support Implementation of Check 21

DETAILS

The Federal Reserve System has amended Operating Circular 3 (*Collection of Cash Items and Returned Checks*) to support implementation of the Reserve Banks' new Check 21-related services. This notice describes the major revisions to Operating Circular 3 (OC 3), which are effective October 28, 2004.

As described in a previous communication, the major revisions to OC 3 serve to:

- Revise the list of items the Reserve Banks handle as cash items to include substitute checks and electronic items.
- Create a set of terms and conditions for handling substitute checks and electronic items subject to new subpart D of Regulation CC and the recent amendment to Regulation J.
- Update OC 3 to reflect previously announced policies related to check carrier documents, deposit guidelines on non-imageable check items, and the adaptation of the DSTU X9.37-2003 format for the Reserve Banks' Check 21 image services.

- Set forth the risks that depositors will assume if deposit guidelines are not followed.
- Revise the terms related to electronic access to Reserve Bank check services.
- Specify the rules that apply to the sending and receipt of image cash letters and return image cash letters.
- Update the handling procedures of missent cash items.
- Clarify the procedures for adjustment requests.
- Create new procedures for claims related to substitute checks and electronic items.
- Define the terms and conditions that apply to the Reserve Banks' new Check 21 products, including FedForwardSM, FedReturnSM, FedReceiptSM and FedReceipt Plus services.

MORE INFORMATION

To review all the provisions of amended OC 3, refer to the current official version online at www.frbservices.org/OperatingCirculars/index.html. To request a paper copy of an Operating Circular or for additional information about the revisions to OC 3, please contact one of the account executives listed below.

Rick Flansburg	(210) 978-1661
Jim McCammon	(214) 922-5491
Susan Vice	(214) 922-5430
Kathy Waggoner	(713) 652-9146

Paper copies of this notice or previous Federal Reserve Bank notices can be printed from our web site at www.dallasfed.org/banking/notices/index.html.

Sincerely,

