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Office of Thrift Supervision
Department of the Treasury
1700 G Street, N.W., Washington, DC 20553 • (202) 906-5650

Thomas A. Barnes

Deputy Director, Examinations, Supervision, and Consumer Protection

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August 10, 2010

MEMORANDUM FOR: CHIEF EXECUTIVE OFFICERS

FROM:

Thomas A. Barnes, Deputy Director
Examinations, Supervision, and Consumer Protection

SUBJECT:

Consolidation of Federal Reserve Board Check Cashing Centers:
Amendment to Appendix A of Regulation CC

Effective February 27, 2010, check-processing operations within the Federal Reserve System have been restructured. As a result, there is now a single check-processing region for purposes of Regulation CC, which addresses “Availability of Funds and Collection of Checks”. Consequently, all checks drawn on depository institutions in the United States are considered “local”.

Effect on check deposit holds and funds availability

Regulation CC provides the maximum period of time that a depository institution may hold certain deposited items before making the funds available to customers. Under the regulation, a depository institution is generally required to provide faster availability for funds deposited by a “local check” than funds deposited by a “nonlocal check.” A check is considered local if it is payable by, at, or through a financial institution located in the same Federal Reserve check processing region as the depository institution.

Because there is now only one check processing center in Cleveland, OH, there are no longer any “nonlocal” checks. All depository institutions are advised to review their check and deposit holds and funds availability policies, procedures, disclosures, and operations to ensure compliance with the revisions to Appendix A to Regulation CC which reflect these changes.

While the consolidation of check processing centers is primarily an administrative change, additional revisions to Regulation CC and/or the relevant interagency compliance examination procedures may be necessary. If so, we will notify you promptly.

Please direct questions to Ekita Mitchell, Consumer Program Analyst, (202) 906-6451 or ekita.mitchell@ots.treas.gov.

Attachment: [FRB Press Release – Restructuring of check processing operations in the Third and Fourth districts, Regulation CC \(December 31, 2009\)](#)