

Y (12 CFR 225.28) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

Each notice is available for inspection at the Federal Reserve Bank indicated. The notice also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than October 8, 1999.

**A. Federal Reserve Bank of Chicago**  
(Philip Jackson, Applications Officer)  
230 South LaSalle Street, Chicago,  
Illinois 60690-1413:

1. *Wintrust Financial Corporation*, Lake Forest, Illinois; to acquire Tricom, Inc., Milwaukee, Wisconsin, and thereby engage in extending and servicing loans, pursuant to § 225.28(b)(1) of Regulation Y, and data processing activities, pursuant to § 225.28(b)(14) of Regulation Y.

Board of Governors of the Federal Reserve System, September 20, 1999.

**Robert deV. Frierson,**

*Associate Secretary of the Board.*

[FR Doc. 99-24886 Filed 9-23-99; 8:45 am]

BILLING CODE 6210-01-F

## FEDERAL RESERVE SYSTEM

### Sunshine Act Meeting

**TIME AND DATE:** 10:00 a.m., Wednesday, September 29, 1999.

**PLACE:** Marriner S. Eccles Federal Reserve Board Building, 20th and C Streets, N.W., Washington, D.C. 20551.

**STATUS:** Closed.

#### MATTERS TO BE CONSIDERED:

1. Personnel actions (appointments, promotions, assignments, reassignments, and salary actions) involving individual Federal Reserve System employees.

2. Any matters carried forward from a previously announced meeting.

**CONTACT PERSON FOR MORE INFORMATION:** Lynn S. Fox, Assistant to the Board; 202-452-3204.

**SUPPLEMENTARY INFORMATION:** You may call 202-452-3206 beginning at approximately 5 p.m. two business days before the meeting for a recorded announcement of bank and bank holding company applications scheduled for the meeting; or you may

contact the Board's Web site at <http://www.federalreserve.gov> for an electronic announcement that not only lists applications, but also indicates procedural and other information about the meeting.

Dated: September 22, 1999.

**Robert deV. Frierson,**

*Associate Secretary of the Board.*

[FR Doc. 99-25015 Filed 9-22-99; 10:36 am]

BILLING CODE 6210-01-P

## FEDERAL RESERVE SYSTEM

### Policy Statement on Delayed Disbursement

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

**ACTION:** Policy statement.

**SUMMARY:** The Board is issuing a consolidated and updated version of its three policy statements on delayed disbursement. The Board has eliminated obsolete provisions and combined the three policy statements into one. No new policies are included in this revised version.

**EFFECTIVE DATE:** October 1, 1999.

**FOR FURTHER INFORMATION CONTACT:** Jack K. Walton II, Manager, 202/452-2660, or Larry Taft, Senior Financial Services Analyst, 202/530-6248, Division of Reserve Bank Operations and Payment Systems; or Stephanie Martin, Managing Senior Counsel, Legal Division, 202/452-3198; for users of Telecommunications Device for the Deaf (TDD) *only*, contact Diane Jenkins, at 202/452-3544, Board of Governors of the Federal Reserve System, 20th and C Streets NW, Washington, DC 20551.

**SUPPLEMENTARY INFORMATION:** Delayed disbursement is the practice of delaying payment of a check by drawing the check on a bank located in an area that is remote from the payee. Delayed disbursement practices are designed to increase the time it takes to clear a check, resulting in float benefits for paying banks and their customers. These practices reduce the efficiency of the check collection system and increase float and transportation costs for depository banks.

The Board has issued three policy statements intended to discourage delayed disbursement practices. The Board issued general policy statements in 1979 and 1984 and a policy statement directed specifically at delayed disbursement of cashier's checks and teller's checks in 1989. (See, Statement of January 11, 1979, 1979 Fed. Res. Bull. 140; Statement of February 23, 1984, 1984 Fed. Res. Bull. 217; and Statement

of March 31, 1989, 54 FR 13839 (April 6, 1989).) Since 1989, parts of the Board's 1979 and 1984 policy statements have become obsolete, due to changes in the check collection and return system and the implementation of the Expedited Funds Availability Act (12 U.S.C. 4001 *et seq.*) and the Board's Regulation CC (12 CFR part 229). The Board is removing obsolete provisions and consolidating the three policy statements into one policy statement. No new policies are included in this consolidation. The policy statement is set out below:

### Policy Statement on Delayed Disbursement

*General policy.* Delayed disbursement (sometimes referred to as "remote" disbursement) is the practice of issuing checks that are payable by, through, or at a bank<sup>1</sup> located in a geographic area such that collection of the checks is generally delayed. For example, these arrangements may be designed to delay the collection and payment of checks by drawing checks on banks located substantial distances from the payee or outside of Federal Reserve cities when alternate and more efficient payment arrangements are available.

The Board is concerned that delayed disbursement practices reduce the efficiency of the check collection system. Drawing a check on a bank remote from the payee often increases the costs of handling the check. More institutions are likely to handle the check before it is finally paid, increasing processing costs, and higher transportation costs are incurred to move checks greater distances. In addition, delays in collection time can impose float costs on depository banks. Furthermore, delayed disbursement practices delay the return of unpaid checks, increasing the possibilities for check fraud and other losses.

The Board believes the banking industry has a public responsibility not to design, offer, promote, or otherwise encourage the use of a service that is intended to delay payment and that exposes payment recipients and depository banks to greater-than-ordinary risks. The Board urges the nation's banks and check-related service providers to eliminate delayed disbursement practices intended to obtain extended float.

There is no intention to discourage corporate disbursement arrangements with banks that provide for improved control over daily cash requirements, provided that these arrangements do not result in the undesirable effects noted above. Banks should provide the cash management services needed by their customers through the use of payments methods that facilitate prompt funds availability to payment recipients and that protect banks from unnecessary risk.

*Delayed disbursement of teller's checks and cashier's checks.* Although many classes

<sup>1</sup> As used in this policy statement, the term "bank" includes all depository institutions, such as commercial banks, savings and loan associations, and credit unions. A depository bank is the first bank to which a check is transferred. A paying bank is a bank by, at, or through which a check is payable and to which it is sent for collection.

of checks are subject to delayed disbursement, the effects of delayed disbursement are particularly significant in the case of teller's checks and cashier's checks.<sup>2</sup> In addition to increased transportation costs, the delayed disbursement of teller's checks and cashier's checks imposes float costs on the depository bank, which must generally make the proceeds of these checks available for withdrawal on the business day following deposit.

The Expedited Funds Availability Act and Regulation CC require a depository bank to provide customers with next-day availability, under specified conditions, for certain checks deposited in transaction accounts, including cashier's checks and teller's checks. Depending on the location of the paying bank, a depository bank may not receive credit for the check by the time funds must be made available to the customer for withdrawal. Thus, the practice of delayed disbursement permits a bank issuing such checks to impose costs, in terms of lost interest, on other banks and to benefit from interest or earnings credits earned on outstanding checks until the checks are presented for payment.

The Board recognizes that many banks that issue teller's checks benefit from the specialization and economies of scale of certain banks and other service providers that can perform the tracking, reconciliation, and payment services associated with teller's checks at a lower cost than the issuing bank would incur by issuing and paying cashier's checks. In addressing the delayed disbursement problem, the Board believes that it is desirable to reduce the float created by the issuance of these checks while minimizing the disruption of efficient teller's check services.

As a general matter, the Board believes that a depository bank located in the same community as the bank that issues a teller's check should be able to receive next-day credit for the teller's check. The Board has determined, after review of Federal Reserve collection patterns and deposit deadlines across the country, that depository banks in most areas generally can receive next-day credit for checks that are encoded with a nonlocal city routing number<sup>3</sup> and presented in a nonlocal Federal Reserve city. For checks that are encoded with a nonlocal RCPC or country routing number and

presented in a nonlocal check processing region, credit is generally deferred by one or two days. The Board recognizes, however, that depository banks located on the west coast generally may not be able to receive next-day availability for checks presented in most nonlocal cities. In addition, in other isolated areas of the country, next-day credit is generally not available for any check payable by a nonlocal paying bank. The Board recognizes that banks in these areas may benefit by having access to a centralized teller's check service provider.

The Board believes that banks issuing teller's checks and teller's check service providers should take steps to ensure that delays in the collection and return of teller's checks are kept to a minimum. First, the Board believes that any disbursement practice designed to extend the time needed to collect a teller's check is inappropriate. Although the Board believes that centralized disbursement is economically efficient in some cases, the location of the paying bank should be chosen so as to minimize collection time.

Second, the Board has determined that depository banks can generally receive credit faster for checks payable by a bank with a city routing number than for checks payable by a bank with an RCPC or country routing number. The Board believes that teller's check service providers that serve issuing banks in check processing regions that are nonlocal to the paying bank should help speed the collection and return of teller's checks by use of a city presentment point and a city routing number in the MICR line of its teller's checks.

Some teller's check service providers confine the scope of their services to a state or other limited geographic area. Because the state or area may be divided into more than one check processing region, such service providers may use a paying bank that is nonlocal to many of their customer banks. In addition, the state or area may contain no Federal Reserve city. The Board recognizes that it may be impractical for such service providers to use a city presentment point.

Third, the Board believes that those teller's check service providers that serve banks nationwide should accept teller's checks at more than one presentment point, particularly those providers that serve west coast banks. For example, a teller's check service provider that uses an east coast paying bank could shorten collection and return times for its California customers by also providing a west coast presentment point for teller's checks.

The Board recognizes that similar delayed disbursement problems arise in connection with cashier's checks, issued by a bank with multistate branches, that depository banks must send to a central location for payment. The Board believes that the same general guidelines should apply to the disbursement of cashier's checks as apply to teller's checks and will take further action regarding cashier's checks should abusive delayed disbursement practices occur.

The Board will monitor the industry's adherence to the policy statement and delayed disbursement practices in general and, should abuses continue, will consider appropriate further action.

By order of the Board of Governors of the Federal Reserve System, acting through the Secretary of the Board under delegated authority, September 20, 1999.

**Jennifer J. Johnson,**  
*Secretary of the Board.*

[FR Doc. 99-24887 Filed 9-23-99; 8:45 am]

BILLING CODE 6210-01-P

## FEDERAL TRADE COMMISSION

### Premerger Notification: Reporting and Waiting Period Requirements

**AGENCY:** Federal Trade Commission.

**ACTION:** Notice of the issuance of Formal Interpretation 16 changing the policy of the Premerger Notification office to require filing persons to submit only one original affidavit and certification with their filings.

**SUMMARY:** The Premerger Notification Office ("PNO") of the Federal Trade Commission ("FTC"), with the concurrence of the Assistant Attorney General in charge of the Antitrust Division of the Department of Justice ("DOJ," collectively, "the enforcement agencies"), is issuing Formal Interpretation 16 addressing the number of original affidavits and certification pages which must accompany Premerger Notification filings. Section 803.5 of the Premerger Notification rules ("the rules") requires all acquiring persons in transactions falling under § 801.30 and all parties to non-§ 801.30 transactions to submit certain affidavits with their premerger notification filings. Section 803.6 of the rules requires a notarized certification for such filings. The PNO has required that each copy of the form be submitted with an original affidavit and certification. Pursuant to Formal Interpretation 16, from now on the PNO will require that one original affidavit and one original certification page accompany one of the two copies of the form submitted to the FTC. The other affidavits and certification pages may be duplicates. Only the originals need be separately notarized.

**DATES:** Formal Interpretation 16 is effective on September 24, 1999.

**FOR FURTHER INFORMATION CONTACT:** Marian R. Bruno, Assistant Director, Premerger Notification Office, Bureau of Competition, Room 301, Federal Trade Commission, Washington, DC 20580. Telephone: (202) 326-2846, Thomas F. Hancock, Attorney, Premerger Notification Office, Bureau of Competition, Room 301, Federal Trade Commission, Washington, DC 20580. Telephone: (202) 326-2946.

<sup>2</sup> A "teller's check" is a check provided to a customer of a bank, or acquired from a bank for remittance purposes, that is drawn by the bank and drawn on another bank or payable through or at another bank. For the purposes of this policy statement, "teller's check" includes checks drawn on a Federal Reserve Bank or a Federal Home Loan Bank. A "cashier's check" is a check provided to a customer of a bank, or acquired from a bank for remittance purposes, that is drawn on the bank, is signed by an officer or employee of the bank on behalf of the bank as drawer, and is a direct obligation of the bank.

<sup>3</sup> These checks are payable by banks located in the same city as a Federal Reserve office. RCPC ("Regional Check Processing Center") checks are payable by banks outside Federal Reserve cities. Certain Federal Reserve regions also contain country zones, which are generally more remote from Federal Reserve cities than are RCPC zones.