



FEDERAL RESERVE BANKS

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June 29, 2009

Payor Bank Services FINAL Sunset Approaching

The implementation of the Check 21 Act in late 2004, has spurred the use of new technologies to collect checks, leading to industry-wide improvements in processing efficiency and reducing the cost of the nation's check collection system. In support of the industry's movement toward realizing more efficient and cost-effective check clearing alternatives, the Federal Reserve Banks announced discontinuation of various Payor Bank Services and migration of customers to Check 21-enabled Presentment Services in July 2007. While the migration has occurred in phases, the final sunset date is quickly approaching.

December 31, 2009

MICR Presentment and MICR Presentment Plus with paper to follow will be discontinued.

Customers of the Federal Reserve Banks who have migrated to Check 21-enabled Presentment Services are already enjoying the benefits of end-to-end electronic check processing and are well positioned for the final sunset of Payor Bank Services at the end of this year. These customers are also well positioned to minimize the impact of paper check restructuring changes as the Federal Reserve Banks move to a single processing location for paper checks.

Our records indicate that your financial institution is still using MIRC Presentment or MICR Presentment Plus with paper to follow. We urge you to transition your Payor Bank Services to Check 21-enabled Presentment Services to be able to meet the December 31, 2009, sunset date.

We appreciate the opportunity to work with your institution as we jointly work toward creating a more effective and efficient check collection system. If you need additional information regarding the Federal Reserve Banks plans for its Payor Bank Services and its replacement Check 21 Service offerings, please visit FRBservices.org/communications/payor_conversions.html or contact your account executive. For detailed information about Check 21, visit FRBservices.org/serviceofferings/check/check_21.html.

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