

inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States. Additional information on all bank holding companies may be obtained from the National Information Center website at [www.ffiec.gov/nic/](http://www.ffiec.gov/nic/).

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than November 27, 2000.

**A. Federal Reserve Bank of Atlanta**  
(Cynthia C. Goodwin, Vice President)  
104 Marietta Street, N.W., Atlanta,  
Georgia 30303-2713:

1. *Capital City Bank Group, Inc.*, Tallahassee, Florida; to acquire 20.75 percent of the voting shares of First Peoples Bankshares, Inc., Pine Mountain, Georgia, and thereby indirectly acquire voting shares of First Peoples Bank, Pine Mountain, Georgia.

**B. Federal Reserve Bank of Chicago**  
(Phillip Jackson, Applications Officer)  
230 South LaSalle Street, Chicago,  
Illinois 60690-1414:

1. *Northwest Suburban Bancorp, Inc.*, Mount Prospect, Illinois; to acquire 100 percent of the voting shares of Village Bank and Trust, North Barrington, Illinois.

Board of Governors of the Federal Reserve System, October 30, 2000.

**Robert deV. Frierson,**

*Associate Secretary of the Board.*

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**BILLING CODE 6210-01-P**

## FEDERAL RESERVE SYSTEM

### Notice of Proposals To Engage in Permissible Nonbanking Activities or To Acquire Companies That Are Engaged in Permissible Nonbanking Activities

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y, (12 CFR part 225) to engage *de novo*, or to acquire or control voting securities or assets of a company, including the companies listed below, that engages

either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.28 of Regulation 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. Additional information on all bank holding companies may be obtained from the National Information Center website at [www.ffiec.gov/nic/](http://www.ffiec.gov/nic/).

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 November 17, 2000.

**A. Federal Reserve Bank of Chicago**  
(Phillip Jackson, Applications Officer)  
230 South LaSalle Street, Chicago,  
Illinois 60690-1414:

1. *Midwest Banc Holdings, Inc.*, Melrose Park, Illinois; to acquire through its subsidiary, Midwest Financial and Investment Services, Inc., Elmwood Park, Illinois, Service 1st Financial Corporation, Elmwood Park, Illinois, and thereby engage in securities brokerage activities, pursuant to § 225.28(b)(7)(i) of Regulation Y.

Board of Governors of the Federal Reserve System, October 30, 2000.

**Robert deV. Frierson,**

*Associate Secretary of the Board.*

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## FEDERAL RESERVE SYSTEM

[Docket No. R-1037]

### Federal Reserve ACH Deposit Deadlines and Pricing Practices for Transactions Involving Private-Sector ACH Operators

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

**ACTION:** Notice.

**SUMMARY:** The Board has approved a new approach to pricing automated clearing house transactions that the Federal Reserve Banks exchange with intermediaries that are defined as operators under the operating rules of the National Automated Clearing House Association. The Reserve Banks will initiate discussions with the private-

sector ACH operators (PSOs) to negotiate the structure and level of fees that will be charged by the Reserve Banks for processing interoperator transactions as well as those fees that the Reserve Banks will pay the PSOs. The Reserve Banks will work collaboratively with the PSOs to establish deposit deadlines by which they would exchange interoperator transactions with each other and to address other operational issues. To permit time for necessary software modifications, the new interoperator deposit deadlines will be implemented by the Reserve Banks no later than June 2001 while the new fees will be implemented no later than September 2001.

**FOR FURTHER INFORMATION CONTACT:** Jack K. Walton II, Manager, Retail Payments Section (202/452-2660); Michele Braun, Project Leader, Retail Payments Section (202/452-2819); or Jeffrey S. H. Yeganeh, Senior Financial Services Analyst, Retail Payments Section, Division of Reserve Bank Operations and Payment Systems (202/728-5801); for the hearing impaired only, contact Janice Simms, Telecommunication Device for the Deaf (202/872-4984).

#### SUPPLEMENTARY INFORMATION:

##### I. Background

The Federal Reserve Banks are collectively the nation's largest automated clearing house (ACH) operator and process more than 80 percent of commercial interbank ACH transactions. PSOs process the remaining transactions and typically provide services, including processing and settling ACH transactions, similar to those offered by the Reserve Banks. PSOs and the Reserve Banks rely on each other for the processing of some transactions in which either the originating depository financial institution (ODFI) or receiving depository financial institution (RDFI) is not their customer. These interoperator transactions are settled by the Reserve Banks.

Some industry representatives have expressed concerns that the Reserve Banks' price and service level policies have created barriers to open and vigorous competition among ACH operators because the policies do not recognize the role played by operators in the ACH system.<sup>1</sup> Specifically, these representatives have maintained that the Reserve Banks' deposit deadlines and

<sup>1</sup> *ACH Vision 2000 Task Force Recommendations*, NACHA, 1997; *The Role of the Federal Reserve and the Banking Industry in the Retail Electronic Payments Systems of the Future*, The Bankers Roundtable, April 1998.