

the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The applications 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 October 28, 2010.

**A. Federal Reserve Bank of Chicago** (Colette A. Fried, Assistant Vice President) 230 South LaSalle Street, Chicago, Illinois 60690-1414:

1. *Rigler Investment Co.*, New Hampton, Iowa; to acquire 100 percent of the voting shares of State Bank & Trust Company, Waverly, Iowa.

Board of Governors of the Federal Reserve System, September 28, 2010.

**Robert deV. Frierson,**

*Deputy Secretary of the Board.*

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**BILLING CODE 6210-01-S**

## FEDERAL RESERVE SYSTEM

[Docket No. OP-1345]

### Policy on Payment System Risk

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

**ACTION:** Notice.

**SUMMARY:** The Board of Governors of the Federal Reserve System (Board) is announcing the implementation date of March 24, 2011, for revisions to part II of its Policy on Payment System Risk (PSR). The revisions explicitly recognize the role of the central bank in providing intraday credit to healthy depository institutions, and establish a zero fee for collateralized daylight overdrafts, a 50

basis point (annual rate) charge for uncollateralized daylight overdrafts, and a biweekly daylight overdraft fee waiver of \$150. The Board approved these revisions in late 2008 for implementation in approximately two years following substantial changes to the Reserve Bank infrastructure.

**DATES:** *Effective Date:* The policy will take effect on March 24, 2011.

**FOR FURTHER INFORMATION CONTACT:**

Jeffrey Marquardt, Deputy Director (202) 452-2360, Susan Foley, Deputy Associate Director (202) 452-3596, or Jeffrey Walker, Manager (202) 721-4559, Division of Reserve Bank Operations and Payment Systems, Board of Governors of the Federal Reserve System; for users of Telecommunications Device for the Deaf ("TDD") only, contact (202) 263-4869.

**SUPPLEMENTARY INFORMATION:** On December 19, 2008, the Board approved revisions to part II of its PSR policy designed to improve intraday liquidity management and payment flows for the banking system, while also helping to mitigate credit exposures of the Federal Reserve Banks (Reserve Banks) from daylight overdrafts.<sup>1</sup> The revisions formally recognize the role of the central bank in providing intraday credit to depository institutions and encourage them to collateralize explicitly their daylight overdrafts. Collateralized daylight overdrafts will be charged a zero fee, while uncollateralized daylight overdrafts will be charged 50 basis points (annual rate), an increase from the current rate of 36 basis points (annual rate), to encourage the voluntary use of collateral. The Board also approved a biweekly daylight overdraft fee waiver of \$150 to minimize the effect of the proposed policy changes on institutions that use small amounts of daylight overdrafts. In addition, the Board changed other elements of the PSR policy dealing with daylight overdrafts, including adjusting net debit caps, streamlining max cap procedures for certain FBOs (implemented in March 2009), eliminating the deductible for daylight overdraft fees, and increasing the penalty daylight overdraft fee for ineligible institutions to 150 basis points (annual rate). The revisions to the PSR policy will become effective on March 24, 2011.

The Board encourages depository institutions to review documentation explaining the implementation of the revised PSR policy. Institutions should review either the Overview of the Federal Reserve's Payment System Risk Policy (Overview) or the Guide to the

Federal Reserve's Payment System Risk Policy (the Guide). The purpose of the Overview is to help depository institutions that use only minimal amounts of Federal Reserve intraday credit understand and comply with the PSR policy. The purpose of the Guide is to help institutions that use Federal Reserve intraday credit more regularly, foreign banking organizations, and those that may be considered "special situations" because of their legal structure or payment activity, understand and comply with more detailed aspects of the PSR policy. Versions of the Guide and Overview that have been updated with information related to the revised policy will be available on the Board's Web site later this year at [http://www.federalreserve.gov/paymentsystems/psr\\_relpolicies.htm](http://www.federalreserve.gov/paymentsystems/psr_relpolicies.htm). The current versions of the Guide and Overview will be available on the Board's Web site until 30 days after the implementation date.

The Federal Reserve will also publish updated guidelines for collateral pledging and withdrawal to help institutions better understand the types of collateral eligible to pledge and the processing steps associated with these types of collateral. This information will be available on the discount window and PSR Web site later this year at <http://www.frbdiscountwindow.org>. In addition, to assist all institutions in understanding the effect of the revised policy on their daylight overdraft fees, the Board created a simplified fee calculator that is located on the Board's Web site at <https://www.federalreserve.gov/apps/RPFCalc/>. The calculator enables institutions to input daylight overdraft and collateral data to estimate their daylight overdraft fees under the revised PSR policy. The calculator will be available until 30 days after the implementation date.

By order of the Board of Governors of the Federal Reserve System, September 23, 2010.

**Jennifer J. Johnson,**

*Secretary of the Board.*

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## 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.

<sup>1</sup> See 73 FR 79109, December 24, 2008.