

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

December 31, 2007

**BANKING SUPERVISION AND REGULATION:
FEE SCHEDULE FOR PRICED SERVICES**

To State Member Banks, Bank
Holding Companies, U.S. Branches
and Agencies of Foreign Banks,
and Others Concerned,
in the Twelfth Federal Reserve District

Approval of Fee Schedules for Federal Reserve Bank Payment Services for Depository Institutions

The Federal Reserve Board announced the approval of fee schedules for Federal Reserve Bank payment services for depository institutions (priced services), effective January 2, 2008.

The Reserve Banks project that they will recover 101.1 percent of all their priced services costs in 2008 and achieve full cost recovery for the fourth consecutive year. Overall, the price level for Federal Reserve priced services will increase about 3 percent in 2008. This increase reflects an approximately 5 percent rise in check service fees combined with an 8 percent decrease in fees for the Reserve Banks' electronic payment services. In 2008, the Reserve Banks will continue to encourage the movement to a more electronic check-processing environment by lowering the fees for Check 21 deposits destined to electronic recipients by 3 percent and raising the fees for paper check deposits by about 12 percent. In addition, the Reserve Banks will offer depository institutions greater incentives to receive their check presentments electronically through Check 21.

The 2008 fee schedule for each of the priced services, except the check service, is included in the attached *Federal Register* notice. Fee schedules for all priced services are available on the Federal Reserve Banks' financial services web site at <http://www.frbservices.org/>.

In addition, the Board approved the 2008 private-sector adjustment factor (PSAF) for Reserve Bank priced services of \$113.1 million. The PSAF is an allowance for income taxes and other imputed expenses that would have to be paid and profits that would have to be earned if the Reserve Banks' priced services were provided by a private business. The Monetary Control Act of 1980 requires that the Federal Reserve establish fees to recover the costs of providing priced services, including the PSAF, over the long run, to promote competition between the Reserve Banks and private-sector service providers.

Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking/letters>.

For additional information, please contact our Federal Reserve Consumer Help Line at (866) 838-9247.

FEDERAL RESERVE BANK OF SAN FRANCISCO

Attachments: [Docket No. OP-1299](#)