The Federal Reserve Board has announced its decision not to pursue in the foreseeable future the following policy options as part of a potential longer-term direction for the Board’s payments system risk policy (PSR policy):

1. lowering self-assessed net debit caps and eliminating two-week average caps; and,
2. rejecting all payments with settlement-day finality that would cause an institution to exceed its daylight overdraft capacity level.

The Board will, however, continue analyzing the benefits and drawbacks of a two-tiered pricing regime for daylight overdrafts in which institutions that pledge collateral to the Reserve Banks would pay a lower fee on their collateralized daylight overdrafts than on their uncollateralized daylight overdrafts.

The Board is now focusing on the potential longer-term direction for the PSR policy.


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