

DEPARTMENT OF THE TREASURY**Fiscal Service****Guidance on Cashing and Accepting for Deposit Federal Emergency Management Agency (FEMA) Disaster Assistance Checks and Government Benefit Checks Issued by the U.S. Treasury; Hurricane Katrina**

AGENCY: Financial Management Service, Fiscal Service, Treasury.

SUMMARY: The Financial Management Service (FMS) is publishing additional guidance related to the cashing and accepting for deposit of U.S. Treasury checks for FEMA Disaster Assistance payments and Federal benefit payments (Treasury assistance and benefit checks), such as Social Security payments, to recipients who resided in areas affected by Hurricane Katrina. Depository institutions and retailers have experienced difficulty in confirming the identify of Hurricane Katrina evacuees seeking to cash Treasury checks. To encourage depository institutions and retailers to cash Treasury assistance and benefit checks for these individuals, FMS has established an interim policy to relieve depository institutions from liability in a reclamation action based on a forged or unauthorized indorsement. Under the interim policy, Treasury will relieve depository institutions from liability for cashing or subsequently accepting for deposit a Treasury assistance or benefit check bearing a forged or unauthorized indorsement, provided that the procedures set forth in the interim policy are followed.

DATES: The interim policy is effective for any Treasury assistance or benefit check cashed on or after September 3, 2005 and through November 14, 2005.

ADDRESSES: You can download this notice at the following World Wide Web address: http://fms.treas.gov/katrina_fedregister_fema.html.

FOR FURTHER INFORMATION CONTACT: Ronald Cymbor, Director, Financial Processing Division, at 202 874-7913 or ronald.cymbor@fms.treas.gov; or Natalie H. Diana, Senior Counsel, at 202 874-6680 or natalie.diana@fms.treas.gov.

SUPPLEMENTARY INFORMATION: Depository institutions and other entities that cash or subsequently accept for deposit¹ U.S. Treasury checks are generally liable to Treasury for the amount of a check cashed over a forged or unauthorized indorsement. 31 CFR part 240. In order to ensure that Treasury checks have been properly indorsed by the payee, depository institutions and retailers typically request certain standard forms of identification from non-customers seeking to cash Treasury checks. However, in the extraordinary circumstances resulting from Hurricane Katrina, many individuals displaced from their homes and communities do not have standard forms of identification. Depository institutions and retailers have experienced difficulty in confirming the identity of Hurricane Katrina evacuees who are seeking to cash Treasury assistance and benefit checks.

Treasury recognizes that it is critical that Hurricane Katrina evacuees be able to cash their Treasury assistance and benefit checks expeditiously and wishes to encourage depository institutions to assist evacuees in obtaining funds for their basic needs. Accordingly, Treasury has established an interim policy to relieve depository institutions from liability for cashing or subsequently accepting for deposit a Treasury assistance or benefit check containing a forged or unauthorized indorsement if

¹ In this context, subsequently accepting a check for deposit pertains to the sequence of events by which a check is accepted for deposit by any number of depository institutions (after it is cashed by an individual) in order to present it to Treasury for payment. It does not refer to the depositing of a check by an individual.

(1) the identify of the individual cashing the check was verified by calling a telephone number provided by the issuing agency for this purpose or (2) other prudent to identify the individual were made. Depository institutions and other entities should consider documenting their efforts to verify the identify of individuals.

Interim Policy for U.S. Treasury Checks for FEMA Disaster Assistance Payments and Federal Benefit Payments to Recipients Who Resided in Areas Affected by Hurricane Katrina

Under Treasury's interim policy, a depository institution will be relieved from liability in a check reclamation action based on a forged or unauthorized indorsement of a Treasury assistance or benefit check if the identity of the individual is verified at the time the check is cashed either by calling a telephone number provided by the issuing agency for this purpose or by other prudent efforts. Prudent efforts depend upon the circumstances of each situation, but might include one or more of the following: seeking identification documents such as a driver's license, military identification or passport; inspecting other documents such as utility bills, leases, or revolving charge bills; or comparing information provided by the individual to information obtained through electronic searches of consumer reporting agencies, public databases or other sources.

This interim policy is effective for any Treasury assistance or benefit check cashed on or after September 3, 2005 and through November 14, 2005.

Dated: September 19, 2005.

Richard L. Gregg,

Commissioner.

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