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February 5, 2004

Ms Jennifer J. Johnson
Secretary, Board of Governors of the Federal Reserve System
20th St and Constitution Ave, N.W.
Washington, D.C. 20551

Fax: 202-452-3819

RE: Docket Number R-1176

Dear Ms. Johnson:

After attending a seminar on the new Check 21 legislation, I was thrilled that preauthorized drafts were an issue. These drafts have consistently been a problem in the banking industry. It has always been a question of whether a bank should pay or not pay these drafts.

I've discussed this with many other bankers in our area and it seems every bank has a different way to handle these items. There are no clear-cut rules governing drafts. Advice has swayed from paying all drafts to returning all drafts. Our bank tries to contact the customer for authorization on the larger drafts. In any event, these items are very time consuming with the bank bearing all the risk.

I would suggest that these items be warranted as authorized. The time frame that an item could be returned should be the same as a substitute check.

I appreciate the effort to address this longtime problem.

Sincerely,

Pamela D. Landis

Pamela D. Landis
Vice-president