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March 2, 2009

By Electronic Mail: regs.comments@federalreserve.gov

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Re: Comments Regarding Docket No. R-1350; Notice of Proposed Rulemaking on Reserve Requirements of Depository Institutions

Dear Ms. Johnson:

The Federal Home Loan Bank of Dallas ("FHLB Dallas") appreciates the opportunity to comment on the Board of Governors of the Federal Reserve System's (the "Board") proposed amendments to Regulation D, Reserve Requirements of Depository Institutions, to authorize the establishment of limited-purpose accounts at Federal Reserve Banks for the maintenance of excess balances of eligible institutions (the "Proposed Rule"), which was published in the Federal Register on January 30, 2009. This letter does not necessarily reflect the views of any other Federal Home Loan Bank.

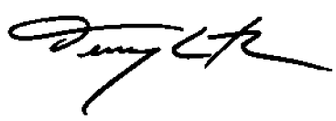
FHLB Dallas is one of twelve Federal Home Loan Banks (each, individually, an "FHLBank" and collectively, the "FHLBanks") that Congress created in 1932 with the Federal Home Loan Bank Act (the "FHLB Act"). Each FHLBank is a cooperative and is owned by its member financial institutions. Entities eligible for membership in an FHLBank include federally-insured commercial banks, savings banks, savings and loan associations, and credit unions, as well as insurance companies.

FHLB Dallas provides its members with a variety of correspondent banking services. These services include wire transfer services, reserve pass-through services with the applicable Federal Reserve Bank, and settlement services with the Federal Reserve Banks. FHLB Dallas settles ACH items, direct deposits, treasury, tax and loan charges, coin and currency, and other transactions conducted with or through any Federal Reserve Bank.

As the Board noted in the Proposed Rule, FHLB Dallas agrees that the impact would be positive for both the eligible institutions ("EBA Participants") that choose to establish excess balance accounts ("EBAs") at Federal Reserve Banks and the institution ("EBA Agent," in our case FHLB Dallas) that chooses to manage the EBA on behalf of EBA Participants. As set forth in the Proposed Rule, an EBA Agent is required to provide a number of services to manage the EBA, including facilitating the opening of the EBA on behalf of EBA Participants, determining amounts of excess balances to deposit into the EBA, placing EBA Participants' excess balances into the EBA, removing excess balances from the EBA, maintaining records to demonstrate the level of excess balances in the EBA of each EBA Participant, and disbursing interest in the EBA to each EBA Participant in accordance with each EBA Participant's instructions. In order to provide these services, EBA Agents will likely need to modify existing computer systems and develop new processes, procedures, and agreements. FHLB Dallas requests that the Board provide a reasonable lead time of one hundred twenty days or more for institutions that will serve as EBA Agents to implement changes to their existing systems and develop new processes, procedures, and agreements. FHLB Dallas, therefore, requests that the effective date of any final rule incorporating the provisions of the Proposed Rule be one hundred twenty days after the publication of the final rule in the Federal Register.

Thank you for your consideration of our comments.

Sincerely,



Terry Smith
President and CEO