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Subject: Reserve Requirements

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Comments:

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Proposal: Regulation D - Reserve Requirements of Depository Institutions

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Comments:

We appreciate the action taken by the Fed concerning the unintended consequences resulting from implementation of payment of interest on reserves. Texas banks have been significantly affected as their funds were moved to the Fed rather than depositing overnight funds with correspondent banks locally. The proposal will allow correspondent banks to continue to serve community bank respondents through the establishment of the EBA or Excess Balance Account. However, participants in the EBA would be required to authorize only one institution to manage the EBAs. Community banks in Texas typically utilize the services of multiple correspondent banks. Woodhaven National Bank strongly urges that the proposal be enhanced to permit banks to use more than one institution for their EBA participation. Thank you.