

# **BANKERS' BANK**

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February 25, 2009

Jennifer J. Johnson, Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue NW  
Washington, DC 20551

RE: Docket No R-1350  
Amendments to Regulation D: Reserve Requirements of Depository Institutions

Dear Ms. Johnson:

Bankers' Bank appreciates the efforts taken by the Board and for the opportunity to comment on the proposal to amend Regulation D by establishing Excess Balance Accounts (EBAs) for purposes of holding excess balances.

We believe that establishing EBAs will mitigate the unintended dilution of a correspondent bank's leverage capital ratio while maintaining the correspondent/respondent business relationship. It is this Bank's intention to utilize and manage its EBA account in conjunction with our already established role as agent to provide our respondents with this additional source of overnight investment.

However, we ask that the following point be clarified within the scope of the ruling:

1. Proposed section 204.10(e)(1) provides that balances maintained in such an account are the property of the EBA Participant and a liability of the Reserve Bank to those institutions. To avoid any confusion are we then correct in assuming an EBA is to be classified as an asset held in Due from Banks and not a Fed funds transaction by the participant?

Thank you again for giving us the opportunity to comment.

Sincerely,



Ronald L. Slater  
President/CEO