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March 2, 2009
Delivery by Email Only

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

Regarding: Docket No. R-1350
Comment on proposed amendments to Regulation D—"EBA Accounts"

Dear Ms. Johnson,

The Independent Bankers' Bank of Florida is thankful for the opportunity to respond to the proposed establishment of limited-purpose excess balance accounts (EBAs) at the Federal Reserve Banks for the maintenance of excess reserve balances of eligible institutions through an Agent. As a bankers' bank, we have over 25 years experience with the operational requirements of processing excess reserves "agency transactions" as we handle approximately \$1 billion in "As Agent" Federal Funds transactions each day. We currently serve as the correspondent bank for over 325 financial institutions throughout Alabama, Florida, and Georgia.

We broadly view the establishment of EBAs with Reserve Banks as beneficial for the EBA Participant and the EBA Agent. We also believe that this account structure will benefit the management of Federal Funds 'target' interest rates by the Board of Governors (the Board) during periods of stress in financial markets, stress in the creditworthiness of market participants, and during periods when the Board determines the need to supply exceptional liquidity into the banking system. Furthermore, we believe that this account structure could be easily implemented, clearly monitored by regulatory authorities, and can safely operate for the benefit of the EBA Participant. However, we do have recommendations which we hope will strengthen, clarify, and speed the adoption of EBAs.

Our first recommendation is to explicitly authorize the establishment of EBAs as initiated through the EBA Agent. The "EBA Proposal" seems to focus on the Participant establishing an EBA at the Reserve Bank where the EBA Agent maintains a master account. We believe that greater co-ordination and cleaner documentation would be

achieved if the EBA Agent were to initiate a tri-party agreement with the Reserve Bank and the EBA Participant. Delineation of the terms and structure of the EBA should be standardized by the Agent and reasonably uniform throughout all Participants with that Agent. We believe that the information flow of account ownership, the liability of the Reserve Bank, and the regulatory confirmation of representations by the EBA Agent are best facilitated for all parties by the Agent initiating a tri-party agreement. In this progression, the Agent should also have the opportunity to establish the EBA management process as a service within the context of other applicable service agreements.

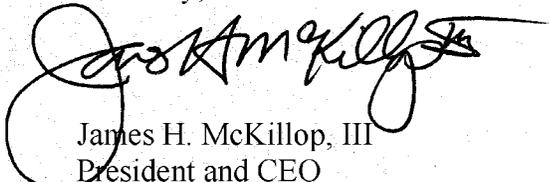
We believe that the nature of competitive strategies among and between correspondent service providers should be recognized by the Board, and we therefore recommend that an EBA Participant be allowed to establish relationships with one or more EBA Agents. While maintenance of required reserves is structured via a single account at the Reserve Banks or via a single pass-through account at a correspondent, there should be clear flexibility for a Participant to enter into multiple EBA relationships. Additionally, the Board should make clear that each Reserve Bank will establish (instead of may establish) EBAs for eligible institutions, otherwise FRB District inequities could erupt.

We recommend that the Board consider recommending an adoption of a uniform balance sheet reporting structure for all EBA Participants and Agents. We further suggest that the Board consider petitioning the FFIEC to amend the call report structure of accounts to recognize EBAs for Participants as a separate reportable line item.

Finally, we would recommend that the proposed language of Section 204.10 (e) (2) be amended from "The agent must maintain its own separate account at a Reserve Bank unless otherwise determined by the Board" to "The agent must maintain its own separate account at a Reserve Bank." There should not be any ambiguity over those entities authorized to become EBA Agents, nor should there be any period in the future where this regulation regarding Agents may be changed without proper review, discussion, and vetting via public comment.

We thank you for your consideration of our recommendations.

Sincerely,



James H. McKillop, III
President and CEO
Independent Bankers' Bank of Florida