

NAFCU

National Association of Federal Credit Unions
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March 2, 2009

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

Dear Ms. Johnson:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association that exclusively represents the interests of our nation's federal credit unions (FCU's), I am responding to the request for comments by Federal Reserve Board (the Board) regarding the proposal to create new excess balance accounts (EBA's).

NAFCU supports the proposed amendment to Regulation D to establish EBA's. Volatility in the market has led more credit unions to direct their correspondent institution to hold excess reserves in an account at a Reserve Bank.

The Board's proposal to establish EBA's would help solve the issues caused by the current accounting treatment of excess reserves held at Reserve Banks. Moreover, the proposed rule does not create any new regulatory burdens for correspondent institutions or the respondent institutions they serve.

NAFCU appreciates this opportunity to share its comments on the proposed guidelines. Should you have any questions or require additional information please call me at 703 522 4770 or 800 336 4644 ext. 212.

Sincerely, signed

Dillon Shea
Associate Director of Regulatory Affairs