

From: AimBank - Wolfforth Branch, Bryan Studer  
Subject: Reg D, Q, & DD

---

Comments:

Date: Apr 13, 2011

Proposal: Regulation D, Q, and DD - Prohibition Against Payment of Interest on Demand Deposits  
Document ID: R-1413  
Document Version: 1  
Release Date: 04/06/2011  
Name: Bryan Studer  
Affiliation: AimBank - Wolfforth Branch  
Category of Affiliation: Commercial  
Address:  
City:  
State:  
Country: UNITED STATES  
Zip:  
PostalCode:

Comments:

On behalf of AimBank and its officers, directors and shareholders, I urge you to support efforts to delay the implementation of the repeal of Regulation Q which would allow banks to pay interest on corporate checking accounts. Inserted in conference committee in the 11th hour of House and Senate negotiations of the 2010 Dodd-Frank bill, this repeal was never debated or heard by House or Senate committees. Bank regulators have cautioned the potential devastating effects the repeal might have on the safety and soundness of our nation's community banks. On its surface you might believe that such a move would be positive for small businesses, quite the opposite is true if this 77 year old prohibition expires in July, 2011. In reality, this repeal will stifle credit availability to small business and increase the cost of credit. Such interest bearing accounts would be subject to a 10% reserve requirement by all institutions, freezing important capital that might otherwise be available for lending. Additionally, as rates begin to rise over time, financial institutions will find it necessary to pass along their increased costs in the overall cost of the credit to small business and commercial customers. Perhaps most importantly, we believe that a repeal of Regulation Q would have a devastating competitive effect on community banks. The prohibition was put into place for a reason.to provide a stable source of reliable funding for our nation's banks. Large too big to fail banks, who have largely funded themselves with off balance sheet sources to avoid FDIC insurance premiums, are likely to look at this as an opportunity to "buy" domestic deposits, robbing local communities of needed capital to fund important rural projects. I think you will agree that Congress should delay efforts to implement this long standing prohibition until such time as the Federal Reserve can study its real impact on the safety and soundness of our financial institutions and its impact on local economies. We do offer a solution that would accomplish the bank's and

our business customer objectives. Reinstate Regulation Q and amend Regulation D which would allow us to make available additional opportunities for commercial customers to sweep funds from their non-interest accounts to interest bearing accounts. Currently there is a limitation on the number of sweeps customers can authorize per month (six). We suggest that up to 24 sweeps (one per business day) be authorized. We appreciate your careful consideration.  
Cordially, Bryan Studer Branch President AimBank