

From: Preston National Bank, Billy Martin

Subject: Reg D, Q, & DD

Comments:

Dear Ms. Johnson,

Please consider that by repealing Regulation Q, the cost of funds that banks have for loans will increase which will in turn raise the rate that the borrowers have to pay. While interest rates are currently at historical lows; the effect will not be as dramatic as when rates start to rise. Banks rely on the interest free deposits of businesses to keep borrowing cost down to those same commercial depositors and consumers.

Secondly, some banks that are in ill financial health are likely to try to attract business deposits to shore up their books to the detriment of the business owners monies. They may do this by paying above market rates to businesses for their deposits and if they fail, those deposits in excess of the FDIC insurance caps on interest bearing deposits would be lost. This would impact those business owners by loss of capital that they need to pay their employees and pay vendors. I think that would negatively impact our economy far greater than paying businesses interest on corporate accounts.

Regards,

Billy Martin

Billy Martin
Preston National Bank