



9800 Fredericksburg Road
San Antonio, Texas 78288

August 27, 2013

Mr. Robert deV. Frierson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW.
Washington, DC 20551
regs.comments@federalreserve.gov

Re: Report of Selected Money Market Rates (FR 2420) (FR Doc. 2013-15517)

Dear Sir:

United Services Automobile Association (USAA), on behalf of its bank subsidiary, USAA Federal Savings Bank (USAA Bank), is pleased to provide comments with respect to the Board of Governors of the Federal Reserve System (Board) request for comment on proposed information collection of FR 2420, Report of Selected Money Market Rates (Proposed Information Collection).¹

USAA is a membership-based association, which together with its family of companies, serves present and former commissioned and noncommissioned U.S. military officers, enlisted personnel, retired military, and their families. Since USAA's inception in 1922 by a group of U.S. Army officers, we have pursued a mission of facilitating the financial security of our members and their families by providing a full range of highly competitive financial products and services, including personal lines of insurance, retail banking and investment products. Our core values of service, honesty, loyalty and integrity have enabled us to perform consistently and be a source of stability for our members, even in the midst of the financial crisis of recent years.

USAA Federal Savings Bank (USAA Bank), an indirect wholly owned subsidiary of USAA, is a federally chartered savings association organized to offer personal retail banking services, including home mortgages and automobile loans.

The Board has stated that the FR 2420 would improve market monitoring capabilities because it would provide CD interest rate data. While we appreciate the Board's desire to have these capabilities and understand limiting the information collection to the top 50 commercial banks and thrifts, we urge the Board to institute a de minimis exception to the daily reports.

For USAA, CDs would be the primary reportable events on the form. However, the volume of CDs issued by USAA Bank at the reportable level of \$250,000 and above is very low. Looking at recent data, USAA Bank sometimes issues only one CD of this volume in a given day. On a high volume day, USAA Bank may issue about a dozen CDs at the reportable level. We believe this amount is de minimis for market monitoring purposes. In addition, CD rates rarely change from one day to the next, so daily rate information does not seem beneficial. We urge the Board to consider a de minimis exemption to the daily report that would exempt institutions with less than 25 transactions per day from filing the FR 2420. Alternatively, we ask the Board to consider a weekly report for institutions with a de minimis number of daily transactions. A

¹ Information Collection, 78 Fed. Reg. 38977 (proposed June 28, 2013).

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weekly report would decrease the burden on institutions that have minimal volume and would provide equally useful information for market monitoring purposes.

As a second alternative, USAA urges the Board to consider a later deadline for the reports. The Proposed Information Collection contains a 7 AM Eastern Time deadline for the daily reports. Considering that over one third of the top 50 institutions are not located in the Eastern Time zone, this early morning deadline seems unreasonable. For USAA, 6 AM Central Time would not allow current systems adequate time to compile the required data and submit the form. The deadline would require additional personnel and new technology to accomplish the reporting in time for the deadline. In addition, after holidays, we may experience delays in producing the internal reports required to complete the form as systems have increased transaction volumes to process. The Board has proposed a 10 AM Eastern Time deadline during the transition period in 2013. We believe this is a much more reasonable deadline that should be used in the final rule.

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We appreciate the Board's consideration of our comments. Should you have any questions or wish further clarification or discussion of our points, please contact Kristine Thomas, Vice President, Corporate Regulatory Counsel, at 210-498-0686.

Sincerely,



Steven Alan Bennett
Executive Vice President
General Counsel & Corporate Secretary