



Information Technology Center ■ 24 McKinley Avenue ■ Endicott, NY 13760-5491 ■ (607) 754-7900 ■ FAX (607) 754-9772
Credit Union Center (607) 786-2000 ■ FAX (607) 786-5718

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
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November 3, 2004

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

BEST IMAGE AVAILABLE

RE: Proposed Rule: Regulation E (Electronic Fund Transfers)

Dear Ms. Johnson:

I would like to take this opportunity to comment on the above referenced proposal concerning Regulation E, Electronic Fund Transfers.

Our credit union agrees that payroll card accounts should be included in the definition of an account for the purposes of Regulation E.

We suggest to eliminate consumer harm when disclosing that a transaction may be processed as an EFT or check transaction that because a payee may use either method, the disclosure should indicate which way it will be handled and specify circumstances where they would use the other way A-6(c).

Anytime a credit union must send a revised disclosure to all accounts (members), it is burdensome yes, but no more so than ongoing disclosure changes for continuing new revised regulations. The same steps must be undertaken to review, understand new/revised regulations, determine nature of changes required, revise statement disclosures, and website disclosures. We feel six (6) months is sufficient time.

We agree with the staff commentary to §205.5 that grants a financial institution permission to issue more than one substitute access device as long as the access device meets all criteria listed in proposed rule.

We agree with the Board's staff commentary regarding written authorization for preauthorized transfers. We also agree that a tape recording of a conversation with a member agreeing to preauthorized debits should qualify as a written authorization under Federal E-Sign Act.

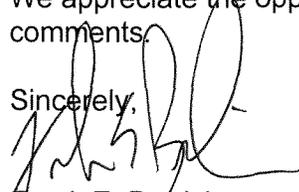
We do not find there could be a situation where the "four walls" rule would not apply regarding error resolution. We have no other concerns regarding Reg. E notices or provisions that haven't been addressed. The proposed rules are clearly stated, effectively organized and easy to understand.



It is understand and agreed that the proposed rule will increase the number of disclosures institutions will have to perform. We agree that it is necessary for the proper performance of the Federal Reserve's function and that the Federal Reserve's estimate of the burden of information collection is accurate.

We appreciate the opportunity to comment and request your consideration of these comments.

Sincerely,



Frank E. Berrish
President/CEO