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January 29, 2010

VIA EMAIL: regs.comments@federalreserve.gov

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

RE: Docket No. R-1381

Thank you for the opportunity to respond to the request for comments on the proposed amendment to Regulation D, Reserve Requirements of Depository Institutions, which would allow the Federal Reserve to establish term deposit facilities. The Bankers Bank Council (BBC) is concerned that the proposal, as currently written, does not specifically allow the participation of correspondent agency funds management programs.

Small community banks are unlikely to participate, on a singular entity basis, in the Fed's term deposit facility, due to the fact that the transaction could possibly lack size and consistency. However, through the pooling of funds through fed funds agency programs, small and medium sized community banks could potentially participate in correspondent bank programs that could be created out of this new facility.

For instance, the correspondent bank could possibly offer longer-term investments to its respondent banks, which are ultimately invested in the Fed's term deposit facility. Additionally, the inclusion of correspondent agency programs would have a direct benefit on community banks that do not have accounts with the Fed. The overall impact could potentially be similar to the affects of the Excess Balance Account.

On another matter, the BBC respectfully requests the Fed, as a matter of public policy, (a) state the purpose of the term deposit facility in the role of managing monetary policy, (b) define limits and parameters for the use of term deposit facilities, and (c) acknowledge procedures for measuring, monitoring and reporting to the general public.

You may reach me at 972.650.6025 or morourke@mybankersbank.com for any further clarification.

Sincerely,



The Bankers' Bank Council by
Michael O'Rourke, President and CEO
TIB-The Independent BankersBank