

From: Atlantic Central Bankers Bank, Jon Evans
Subject: Reserve Requirements of Depository Institutions

Comments:

January 20, 2010

Via EMAIL: Regs.comments@federalreserve.gov
Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System

RE: Regulation D
Docket No. R-1381

Dear Ms. Johnson:

Atlantic Central Bankers Bank (ACBB) appreciates the opportunity to comment on the above proposed rule making under Regulation D. Our bankers bank is headquartered in Camp Hill, PA, and provides correspondent services to over 300 community banks in Pennsylvania, New Jersey, Maryland, Delaware and New York.

We encourage the Federal Reserve Bank to utilize monetary tools effectively in its efforts to help guide the economy back to health. We also encourage discussion of new tools such as Fed Term Deposits. Any time a new tool is implemented, it is in the publics' best interest to have the objectives and clearly defined goals stated as part of public policy. Inclusive of these goals would be the desired outcome in regards to the terms of the auction.

The effected parties of these new mechanisms are corporate Treasuries throughout the world, not just aggregators of financial institutions like ACBB. This is an interest rate as well as liquidity issue. Therefore, we would hope that the Federal Reserve Bank would exercise caution in laying out its goals (i.e., desired reserve levels). The discussion which follows would include desired outcomes as well as advantages and disadvantages of utilizing reserve requirements, short term interest rates (Discounted Fed Fund rates) and Fed Term Deposits.

Secondly, we would encourage the Federal Reserve Bank to remain consistent in its use of market rate components which would be utilized to define the 'maximum' rate in its auctions. This would add to stability in the markets while managing expectations.

Managing expectations has always been a priority for the Fed and we would hope that same philosophy is carried through in this process.

We appreciate the opportunity to respond on this topic.

Jon S. Evans
Atlantic Central Bankers Bank