

From: Preston National Bank, Bill Prince

Subject: Reg D, Q, & DD

Comments:

Ms. Jennifer J. Johnson, Secretary

Board of Governors of the Federal Reserve System

As a former regulator and banker for more than 40 years, I believe that the repeal of the prohibition on paying interest on business checking accounts could cause mass confusion among business customers and be counterproductive to the banking industry. The troubled banks that have liquidity issues would offer excessive interest rates to try to buy deposits. The small business customer would be tempted to switch to one of these banks without realizing it is a gimmick. The customer might enjoy short term benefits but the small business suffers financial difficulties they would not received the service and consideration that a well managed bank can provide.

I respectfully recommend that the prohibition remain in place.

Sincerely,

Bill R. Prince
Preston National Bank