From: Anonymous

Subject: Reg D, Q, & DD

Comments:

Re: Docket No. R-1413 and RIN No. 7100-AD70

The repeal of Reg Q has very significant implications for the balance sheets and income of depository institutions. It is a game-changer and should not be implemented without multiple years of study. The anticipated effect on bank profits is to drive them down substantially, leading to further bank failures nationwide.

The anticipated effect on rates offered is that super-large institutions like Chase, Bank of America, Wells, etc. will offer enticing rates to large customers (business and consumer) and take away the customers from community banks. In order to compete, community banks would have no choice but to offer unsustainable interest rates and APYs on ordinary deposit accounts, particularly those with large balances, e.g. over $100,000. This will contribute to the undesirable growth of too-big-to-fail institutions.

The repeal of Reg Q will result in a strong demand for interest-bearing demand deposits; it will change the face of banking and contribute to bank failures. Banks that pay interest will suffer the income and profit consequences of doing so, and banks that fail to pay interest will lose their customers and fail.

The repeal of Reg Q will have an unbearable effect on the competitive burden on smaller depository institutions such as community banks.