



# Texas Credit Union League

December 16, 2011

Ms. Jennifer J. Johnson, Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street & Constitution Ave., NW  
Washington, DC 20551

Sent Via E-mail to: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov)

Re: Docket No. R-1433 and RIN No. 7100 AD 83: Proposed amendments to Regulation D: Reserve Requirements of Depository Institutions: Reserves Simplification and Private Sector Adjustment Factor

Dear Ms. Johnson,

This comment letter represents the views of the Texas Credit Union League (TCUL) regarding the Federal Reserve Board's (the "Board") proposal to amend Regulation D. TCUL is the official trade association serving over 500 federal and state credit unions and more than 7.4 million credit union members in Texas. TCUL appreciates the opportunity to comment on this issue.

TCUL generally supports the proposed changes to Regulation D (Reg D) as the proposed changes are intended to simplify the administration of reserve requirements. In relation, we would like to take this opportunity to request that you also consider eliminating the limit on transfers from savings to transaction accounts.

In recent years, the regulatory burden on credit unions has become increasingly costly and burdensome. As a result, TCUL is appreciative of actions by regulators to reduce regulatory burdens on credit unions. As we understand it, the proposed changes are not expected to impose burdensome costs or operational changes by credit unions.

TCUL supports creating a common two-week maintenance period while still permitting credit unions the flexibility to report weekly or quarterly if they so choose. This should simplify credit unions' operational burden of complying with Reg D.

TCUL supports creating a penalty-free band around reserve balance requirements in place of carryover and routine penalty waivers, provided that the Federal Reserve pays interest on the current balance held at the end of each maintenance period (rather than continuing the current practice of delaying the payment of interest for at least one maintenance period).

TCUL supports discontinuing as-of adjustments with direct compensation and believes this will relieve the operational burden on credit unions. The need for an as-of adjustment for deposit revisions is eliminated due to the fact that the Federal Reserve now pays interest on reserve balances.

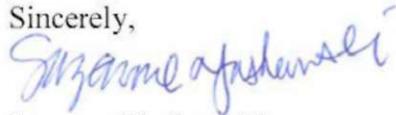
TCUL supports the proposal to eliminate the contractual clearing balance program.

We would also like to take the opportunity to urge the Board to reconsider Reg D's current limit of six transfers/withdrawals on savings deposit accounts. The limit of six per calendar month or statement period should either be removed or increased. The current limits impose an undue compliance burden on credit unions and consumers. We feel the the current limits are not necessary and do not affect the Federal Reserve's ability to conduct monetary policy.

One concern that we do have is timing. Credit unions are facing significant regulatory changes these days. Therefore, we respectfully request that the Board permit depository institutions sufficient time to implement the changes if finalized. TCUL requests that the Board give credit unions at least nine months to implement the proposed changes and stagger the effective dates.

Thank you for considering our comments. If you have any questions, please contact me at (512) 853-8516 or [syashewski@tcul.coop](mailto:syashewski@tcul.coop).

Sincerely,



Suzanne Yashewski  
SVP Regulatory Compliance & Legal Affairs  
Texas Credit Union League