



June 2, 2011

Ms. Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve
20th Street and Constitution Avenue, N.W.
Washington, DC 20551
Re: Docket No. R-1409: Regulation CC Revisions

Dear Ms. Johnson,

Regions Financial Corp. appreciates the opportunity to comment on proposed revisions to Regulation CC (12 CFR Part 229). In particular, Regions would like to comment on four specific areas where the proposed changes to the current regulation need to be reconsidered because they would lead to undue burdens on banks or do not sufficiently consider current and effective banking practices. The specific comments are outlined below.

Exception Hold Notices - § 229.13(g)

It will be burdensome, costly and time consuming to modify our current exception hold notices to conform to the format in the proposed rule. Since our hold notices print automatically from our teller capture system, we will need ample time (at least 18 months) to program, test and implement the changes. In addition, we are in the process of replacing our current teller capture system with a new system. If we are allowed sufficient time to implement the changes, then we can avoid making costly and time consuming changes to our current system. We also question the benefit to the consumer of the numerous changes to the exception hold notices when weighed against the time and expense of implementing these changes.

Exception Hold Period - § 229.13(h)

Our policy is to make funds available by the first business day after the day of deposit. However, we reserve the right to invoke a new-account or exception hold. We currently place exception holds up to seven business days. Shortening this to four business days seems reasonable, but we would like to request an additional "safe harbor" hold day for the occasional problems. A recent analysis performed by our NSF/Return Operations area found that we received most returned checks on the third or fourth day following the day of deposit. However, we do incur situations where the returned check is not received until the fifth day. If the exception hold period were shortened to five business days, then this would reduce losses that we would incur if the exception hold period were shortened to four days.

Elimination of Refer to Maker as Return Reason - Commentary to subsection 229.30(d)

The current commentary states that "Refer to Maker" is permissible. The proposal states that "Refer to Maker" is an instruction and not a reason for a return and that "Refer to Maker" must be accompanied by a reason for return. We object to this change in the commentary because in some cases, such as Positive Pay checks and Payable through Drafts, the payor instructs the bank

to return a check. In these cases, the bank is acting on the instructions of a customer, and has no additional reason for returning a check other than “Refer to Maker.”

Electronic Notification of Holds - § 229.13(g)(1)(ii)

Currently, if a hold notice is not provided to the customer at the time of deposit, the bank is required to mail or deliver the notice to the customer no later than the first business day following the day of deposit. The Board proposes that, if the customer has agreed to receive notices electronically, the depository bank is required to send the notice such that the customer should receive it no later than the first business day following the date the deposit is made. For example, the bank could email the hold notice to the customer. We request clarification of the statement "If the customer has agreed to accept notices electronically." More specifically, if the customer agrees to electronically receive “all disclosures that we are required by applicable law or regulation to provide to you in writing” is that sufficient or will the customer specifically have to agree to receive electronic notification of holds?

Regions appreciates the opportunity to comment on this proposal. If you have further questions please contact Chris Scribner at (202) 326-6066.

Sincerely,

Chris Scribner
Senior Vice President
External Affairs
Regions Financial Corporation