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June 3, 2011

Via E-Mail

Jennifer J. Johnson

Secretary

Board of Governors of the Federal Reserve System

20th Street and Constitution Avenue, NW

Washington D.C. 20551

RE: Docket No. R-1409- Regulation CC

Dear Ms. Johnson

WACHA- The Premier Payments Association represents over 350 financial institutions in the seventh Federal Reserve District in WI. We are one of the eighteen Regional Payment Associations and are members of NACHA. WACHA is also a sponsoring member of ECCHO. WACHA provides training on all of the payment systems ACH, Check, Wire and Card and in addition has developed a Check Certificate Program which includes Regulation CC. WACHA also performs ACH audits, RDC and ACH risk assessments. In addition to training WACHA also provides support to its members in answering their questions as it relates to the different payment systems.

WACHA respectfully submits this response to the Federal Reserve Board ("Board") on proposed amendments to Regulation CC to facilitate the transition to fully-electronic check clearing.

WACHA has participated in discussions with WACHA's members, NACHA and ECCHO and support the most of the comments these two organizations have voiced with a few exceptions. WACHA supports all of NACHA's comments expressed except for the following:

229.30(e) Notice in lieu of return- utilizing the ACH network.

In today's environment the number of "Notices in lieu" that our members receive are minimal and therefore see no problems in using the ACH network for these items. Recently, NACHA passed a rule effective September 16, 2011 that will allow an institution to process a non-imageable item as an XCK(Destroyed Check Image) which could also be used for "*Notice in Lieu*" of return. *There is enough protection within the NACHA rules for the paying bank and the customer.*

WACHA supports ECCHO's and the TCH comments except for the following:

229.36(d)(1)and (2) - same day settlement. Paying Bank Option to Require Electronic Presentment.

We agree with ECCHO's comments that the financial industry has made substantial growth in achieving an all image exchange environment. However, WACHA's members felt that if this would be implemented it could have an impact with the smaller financial institutions and force them into an agreement with a larger correspondent bank and then would be at a disadvantage in the marketplace as they would have no choice.

229.34(e) - Electronic image and information transferred as an electronic collection item.

WACHA supports NACHA's comment on ECI's and feel that there is more consumer protection to utilize the ACH network with TEL and WEB. NACHA has also implemented a rule change that will allow a TEL to be recurring.

Thank you for the opportunity for WACHA to comment. If you have any questions please feel free to call me at 262-345-1245.. Thank you.

Sincerely,

Mary Gilmeister

President

WACHA