

From: Texas Brand Bank, William E. Lowe
Subject: Reg D, Q, & DD

Comments:

We appreciate the opportunity to comment on the repeal of the prohibition of Section 627 of the Dodd-Frank act regarding the payment of interest on demand deposits.

We see no benefit in this repeal to community banks. Community banks are already paying a disproportionate share of regulatory costs, and paying interest on demand deposits will further add to the burden.

Demand deposits in commercial checking accounts are one the linchpins of a community bank's franchise. Paying interest on demand deposits will increase the level of expenses and decrease net interest margin. The resulting decrease in profitability will erode capital and decrease the amount of loans available to the small business community.

In addition, payment of interest on checking accounts will add further interest rate risk to bank's balance sheets.

We urge the Federal Reserve to leave the prohibition of interest payments on demand deposits in place.

Sincerely,

William E. Lowe
Texas Brand Bank