

From: Cen-Tex Manufacturing Credit Union, Joy Skelton
Subject: Regulation CC

Comments:

May 16, 2011

To Whom It May Concern:

As the President/Manager of a small credit union, I do not like the use of Reg CC as a means to encourage the electronic transmittal and collection of checks. I am quite certain the majority of credit unions are small and would surmise the same for community banks. The Fed should realize that most likely a majority, even if it is a small majority, of credit unions and community banks may have the capabilities of processing deposits electronically. If the Federal Reserve was concerned about the continued stability, growth and success of financial institutions, this shouldn't be a continuous issue. How confusing is it to our members/customers and employees to keep changing funds availability this often?

The purpose of holding items is to reduce the risk of an item not being collected for the depository institution. In the present environment items that are not returned electronically can take 5+ days to make it back to the bank of first deposit. Shortening the period to 4 days completely ignores the fact that not all financial institutions process electronically.

The Fed should use other means to work towards total electronic check processing instead of this regulation and delay the shortening of the hold periods until this is complete.

Sincerely,

Joy Skelton
Cen-Tex Manufacturing Credit Union