



INDEPENDENT COMMUNITY
BANKERS of AMERICA®

WILLIAM A. LOVING, JR.
Chairman

JOHN H. BUHRMASTER
Chairman-Elect

JACK A. HARTINGS
Vice Chairman

NANCY A. RUYLE
Treasurer

TIMOTHY K. ZIMMERMAN
Secretary

JEFFREY L. GERHART
Immediate Past Chairman

CAMDEN R. FINE
President and CEO

February 10, 2014

Submitted via <http://www.regulations.gov>

Mr. Robert deV. Frierson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Re: Docket No. R-1473, RIN 7100-AE06
Regulation J, Collection of Checks and Other Items by Federal Reserve Banks and
Funds Transfers through Fedwire; Time of Settlement by a Paying Bank for
an Item Received from a Reserve Bank

Dear Mr. deV. Frierson:

The Independent Community Bankers of America (ICBA)¹ is pleased to submit comments regarding proposed amendments to subpart A of its Regulation J, Collection of Checks and Other Items by Federal Reserve Banks and Funds Transfers through Fedwire. The proposed rule would permit the Federal Reserve Banks (Reserve Banks) to require paying banks that receive presentment of checks from the Reserve Banks to make the proceeds of settlement for those checks available to the Reserve Banks as soon as one half-hour after receipt of the checks and by as early as 8:30 am in order to avoid overdraft charges.

¹ Independent Community Bankers of America® (ICBA) the nation's voice for nearly 7,000 community banks of all sizes and charter types, is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best-in-class education and high-quality products and services.

ICBA members operate approximately 23,600 locations nationwide, employ almost 300,000 Americans and hold more than \$1.2 trillion in assets, \$1 trillion in deposits and \$750 billion in loans to consumers, small businesses and the agricultural community. For more information, visit www.icba.org

ICBA applauds the Board for continuing to identify and propose changes aimed at enhancing and improving the efficiency of the payments system. ICBA supports the proposed change given that the Reserve Banks present virtually all checks electronically and that most paying banks have implemented internal electronic check processing as well. Additionally, the payment of interest on Reserve Bank account balances and the ability to collateralize daylight overdrafts coupled with a \$150 fee waiver for small daylight overdrafts should lessen the likelihood of any adverse consequences for paying banks.

In our comments on the Reserve Banks' *Payment System Improvement – Public Consultation Paper*, ICBA strongly applauded the Reserve Banks for recognizing that faster payments should be a priority for all financial institutions and encouraged the Reserve Banks to act quickly toward this goal. ICBA believes that this proposed rule change is in keeping with that goal.

ICBA also supports the Board's proposed effective date of the rule change, six months after publication of the final changes in the *Federal Register*.

ICBA appreciates the opportunity to comment on this rule change. Please do not hesitate to contact me at cary.whaley@icba.org or 202.659.8111 with any questions regarding our comments.

Sincerely,

/s/

Cary Whaley
Vice President, Payments and Technology Policy