

May 14, 2015

Federal Reserve Board
Secretary, Board of Governors
20th Street and Constitution Avenue, NW
Washington, DC 20551

RE: EGRPRA; Docket No. R-1510; Comments on Regulation D - Reserve Requirements

Dear Robert deV. Frierson,

I am writing on behalf of Meriwest Credit Union, which serves individuals who live, regularly work, currently attend school, or regularly worship in Santa Clara, Alameda, Contra Costa, San Mateo, or San Francisco, California counties, or Pima County, Arizona. We have 69,234 Members and \$1.1B in assets. Meriwest Credit Union appreciates the opportunity to provide comments to the Federal Reserve Board (FRB) on its regulatory review of Regulation D – Reserve Requirements.

The difficulty with Regulation D is that is hard to explain to staff, let alone to the average consumer. While there is no such thing as a short definition of Regulation D, its best to provide a bit of context.

Regulation D distinguishes between:

- Savings account (when we expect deposits to stay on deposit for long periods of time); and
- Transaction accounts (when the purpose of the account is to use the financial institution as a payment mechanism).

Regulation D draws lines between savings and transaction accounts to protect from risk and ensure that the bank has reserves (adequate funds) to cover reasonably expected withdrawal activity. All this and only six-transactions are allowed from the savings account too!

Therein lies the crux of the dilemma with Regulation D. In today's electronic environment, consumers are looking for instant gratification. They want to be able to transfer, withdraw, deposit, and purchase without any "hassles".

So, in theory, if Reg D was initially instated to ensure for "reserves" to comply with Federal Reserve standards, and what percentage a "bank" can lend out, why are we still using a 1920's law to serve our 21st Century customers?

Thank you for the opportunity to provide comments during this regulatory review of Regulation D – Reserve Requirements and for considering our views.

Sincerely,

Mary Ellen Snider
VP Operational Risk
Meriwest CU

cc: CUNA, CCUL