



PO Box 1989  
Kingsport, TN 37662  
Phone: 423.229.8200  
or 800.999.2328

February 4, 2019

Ann E. Misback, Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue NW  
Washington, DC 20551

Re: Regulation CC – Proposed Rule for Availability of Funds and Collection of Checks  
Docket No. R-1637; RIN 7100 AF-28

Dear Ms. Misback:

Eastman Credit Union ("ECU") is a federally insured Tennessee state chartered credit union. ECU is the largest credit union in Tennessee and serves over 220,000 members with branches in Tennessee, Texas, and Virginia. ECU is commenting on the Proposed Rule for availability of funds and collection of checks, specifically the portions relating to the calculation methodology for the adjustment of dollar amounts under the Expedited Funds Availability Act ("EFA Act").

Regulation CC implements the EFA Act, which governs the availability schedule requirements that financial institutions must use in determining when to make funds available for withdrawal. It also governs exceptions to those schedules, as well as the disclosure of the institution's funds availability policy. Specific dollar amounts are used throughout the Act, including (1) the minimum amount of deposited funds that must be made available for withdrawal by the next business day for certain check deposits ("minimum amount"), (2) the amount that must be made available for withdrawals by cash or other means ("cash withdrawal amount"), (3) the amount of funds in a new account subject to next-day availability ("new-account amount"), (4) the threshold for using an exception to the funds availability schedule when the aggregate amount of checks on one banking day exceeds the threshold amount ("large-deposit threshold"), (5) the threshold for determining whether an account has been repeatedly overdrawn ("repeatedly overdrawn threshold"), and (6) the civil liability amounts for failure to comply.

The Dodd-Frank Act made certain amendments to the EFA Act, including adjusting the dollar amounts listed above for inflation. The adjustments were designed to occur every five years by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), as published by the Bureau of Labor Statistics. Amounts will be rounded to the nearest multiple of \$25.

ECU appreciates the EFA Act's intent to prevent these dollar amounts from being eroded by inflation; however, we feel that rounding amounts to the nearest multiple of \$25 will add confusion to an already complicated availability schedule. We urge the Agencies to reconsider rounding to the nearest multiple of \$25, and instead round the amount to the nearest place value. For example, the new-account amount is currently set at an even \$5,000. The proposed inflation amount would adjust the threshold to \$5,525. Rounding to the nearest place value would either leave the threshold at an even \$5,000 or raise it to an even \$6,000, which will simplify the calculation of available funds for both the financial institution and the consumer. The current \$200 minimum amount would either remain at \$200 or increase to \$300, rather than increasing to \$225. Not only will this methodology simplify the calculation, it will also decrease



PO Box 1989  
Kingsport, TN 37662

Phone: 423.229.8200  
or 800.999.2328

the number of times the overall amounts will change. In effect, this will reduce the cost to financial institutions by decreasing the number of necessary system and form changes, as well as providing greater consistency to the consumer.

In conclusion, ECU greatly appreciates the opportunity to comment on the Regulation CC proposal. As stated above, we feel that simplification of the calculation methodology will benefit financial institutions and consumers alike. Thank you for your consideration of our comments.

Sincerely,

A handwritten signature in blue ink, appearing to read "Olan O. Jones, Jr.", written over a light blue circular watermark.

Olan O. Jones, Jr.  
CEO/President  
Eastman Credit Union