



March 31, 2020

The Honorable Jerome H. Powell  
Chairman  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, NW  
Washington, DC 20551

**Re: Regulation D Transaction Limit**

Dear Chairman Powell:

CrossState Credit Union Association (CrossState) is a multi-state advocacy organization that represents credit unions located in the Commonwealth of Pennsylvania and the State of New Jersey. We are writing on behalf of our 516 credit unions and their 5.3 million members. We commend the Federal Reserve's efforts to reduce the reserve requirements to 0% to free up liquidity in order to enable credit unions and other financial institutions to help their members who may be adversely affected by the current COVID-19 pandemic. While this step does help to free up additional funds that can be loaned to credit union members, it fails to provide a viable solution to the Regulation D limit of six convenience transfers from savings to checking in a month.

In the current pandemic situation, as more and more states tell their residents to stay at home, consumers are using their telephones and computers much more frequently to manage their everyday financial needs. And, as an increasing number of workers are laid off from their jobs and receiving less income than they did in the past, consumers are turning to their savings accounts to help get them through these difficult times. The convenience transfers from a savings account to a transaction account are necessary to help consumers keep their households going. It is difficult to comprehend the stress and burdens that the current pandemic has created on many Americans who are unable to work during this time, who also must deal with the constant fear of contracting the virus or having a loved one contract the virus. The elimination of the Regulation D six (6) transfer limit would be one less burden that Americans need to worry about.

As the Federal Reserve points out, credit unions could now reclassify savings deposits as transaction accounts, thereby eliminating the need to monitor the number of transfers that are initiated between those accounts and other transaction accounts. This is easier said than done. As the Federal Reserve provided in Question 9 of the Frequently Asked Questions, reclassifying savings accounts as transaction accounts requires credit unions to review current account

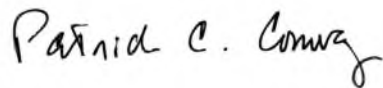
agreements and notify members of the changes.<sup>1</sup> In addition to reviewing account agreements, certain disclosures associated only with transaction accounts, such as Regulation CC, would have to be provided to members whose accounts are changing. All of this takes time and resources, including staff.

Many credit unions are working with very limited resources and staff; having to close lobbies and bring only essential personnel into work each day. Additionally, to assist their members, credit unions are waiving many fees and allowing members to skip making loan payments, which has a serious negative effect on financial resources. Reclassifying savings accounts as transaction accounts during this difficult time would be a burden that most credit unions would not be able to accomplish in time to benefit their members during this pandemic.

CrossState respectfully urges the Federal Reserve to eliminate the Regulation D six (6) transfer limit so that credit union members can easily transfer funds between accounts without credit unions being tasked with the tremendous burden of reclassifying savings accounts as transaction accounts.

Thank you for the opportunity to submit our request.

With best regards,



Patrick C. Conway  
President & CEO

cc: CrossState Board  
Government Relations Committee  
Regulatory Review Committee  
State Credit Union Advisory Committee

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<sup>1</sup> *Reserves Central—Reserve Account Administration Application Frequently Asked Questions*, <https://www.frbsecurities.org/resources/central-bank/faq/reserve-account-admin-app.html> (last visited March 31, 2020)