

Proposal: 1715 (AF89) Reg. D - Reserve Requirements of Depository Institutions

Description:

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Comment ID: 137308

From: Greg Badovinac

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Comments:

NONCONFIDENTIAL // EXTERNAL

Dear Madam Secretary:

I am writing in support of the Interim Final Rule removing the six transfer limitation from the Regulation D definition of "savings deposit." This is long overdue since the FRB no longer uses money supply to influence the economic direction of the United States economy.

As a credit union compliance professional for more than 30 years, I have seen first hand the negative impact this outdated limitation has on the well being of American consumers. In fact, approximately 20 years ago, I wrote the FRB asking that this restriction be removed. At that time, the FRB response to me was that federal law prevented the removal of the restriction. Since then, I have been working with credit union trade associations to engage Congress to change the law.

However, I am concerned that this most-needed change was done without the legal changes discussed in that 20-year old response to my then-employer. If the FRB can make this change today without an Act of Congress, what is to stop the future leadership of the FRB from reimposing such limitations in the future?

Consumer access to electronic financial services has changed greatly since the law was enacted in the late 1970s and future technologies will make the soon-to-be former restrictions even more outdated and anti-consumer.

Again, thank you for the opportunity to comment on the Interim Final Rule and express my support for it as it will benefit millions of American consumers.

Greg Badovinac

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Sent from Outlook