



June 29, 2020

Ann E. Misback
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551
regs.comments@federalreserve.gov

Re: Regulation D - Reserve Requirements of Depository Institutions; Docket No. R-1715; RIN 7100-AF 89

Dear Ms. Misback:

On behalf of the 2.2 million credit union members we represent, the Heartland Credit Union Association (HCUA) appreciates the opportunity to comment on the interim file rule relating to the amendments to its Reg D (Reserve Requirements of Depository Institutions) to delete the numeric limits on certain kinds of transfers and withdrawals that may be made each month from “savings deposits.”

HCUA strongly supports the Board’s decision to “delete the numeric limits on certain kinds of transfers and withdrawals that may be made each month from ‘savings deposits.’” This rule was published shortly after the Board amended Regulation D to lower reserve ratios on transaction accounts maintained at depository institutions to zero percent. These changes allow credit unions more flexibility in providing services to member by removing the numeric or transfer limits, which were often confusing to members.

Eliminating the transfer limits has long been a priority for credit unions. Some have expressed concern that the proposed amendments to Regulation D could be temporary, so we suggest that the final rule make clear that the Board intends to make the changes permanent. We urge the Federal Reserve to be emphatic that this change should be deemed permanent. If this regulatory change was reversed within a couple of years, this would dissuade some credit unions from loosening up their current restrictions since the change to programming and need for disclosure changes and member notices to affect this change are an expensive proposition in the current economic environment. As such, in adopting the final rule, we would like the Federal Reserve to concretely indicate that this change is permanent.

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We also suggest the Board review Regulation CC in conjunction with Regulation D to clear up any ambiguous requirements concerning the interplay these regulations.

As always, we appreciate the opportunity to review this issue. We will be happy to respond to any questions regarding these comments.

Sincerely,

A handwritten signature in black ink that reads "Bradley D. Douglas". The signature is written in a cursive style with a large, stylized initial 'B'.

Brad Douglas
President/CEO