

**Illinois Credit Union League**

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March 28, 2008

Ms. Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW.  
Washington, DC 20551

Re: Docket Number R-1307  
Reserve Requirements of Depository Institutions

Dear Ms. Johnson:

We are pleased to respond on behalf of our member credit unions to the Federal Reserve Board's proposed amendment to Regulation D regarding the limits on transfers from savings accounts. The Illinois Credit Union League represents over 400 federal and state chartered credit unions.

Regulation D restricts the number of certain "convenient" transfers from an account--preauthorized or automatic transfers, telephonic transfers, and transfers to a third party by check, debit card or similar means--if that account is classified as a "savings deposit" and exempt from the reserve requirements of the regulation.

Regulation D currently limits the total number of such transfers to six per month, and, within the overall six-transfer limit, further restricts transfers to a third party by check, debit card or similar means to three per month. The Board proposes to remove the three-per-month restriction on transfers to a third party by check, debit card or similar means. Such transfers would still be included in the types of transfers limited to six per month.

We are pleased to support the proposed change. The complexity of the current transfer restriction has inevitably resulted in inadvertent violation by financial institutions and confusion and frustration for the consumer.

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We agree with the Board's view that the removal of the three-per-month limit will result in a minimal reduction in the aggregate transaction account balances subject to the reserve requirements of Regulation D. The removal of the three-per-month limit will reduce the likelihood of compliance errors by credit unions, remove an unnecessary restriction on transactions by consumers, and will not adversely affect the Board's use of reserve requirements for monetary policy purposes.

We are pleased to be afforded the opportunity to comment on the proposed change to the transaction limits imposed by Regulation D. Please contact me at 630 983-4262 if you have any questions concerning the above comments.

Very truly yours,

ILLINOIS CREDIT UNION LEAGUE

By: Cornelius J. O'Mahoney  
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