



Office of the President

March 12, 2008

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Re: Reserve Requirements of Depository
Institutions; Issues and Cancellation of
Federal Reserve Bank Capital Stock

Dear Ms. Johnson:

Navy Federal Credit Union provides the following comments in response to the Federal Reserve System's request for comments on Regulation D and Regulation I. Navy Federal is the nation's largest natural person credit union with over \$34 billion in assets and 3 million members. Navy Federal supports amending Regulation D to remove the language restricting pass-through arrangements to non-member banks. Authorizing member banks to enter into pass-through arrangements will enable member banks to maintain their required reserves in an account at another depository institution that itself maintains required reserve balances at a Federal Reserve Bank.

The proposal would remove the three per month limit on certain types of transfers from savings accounts but would preserve a six per month limit on all "convenient" transfers. The removal of these transaction control limitations implemented by Regulation D will reduce confusion among consumers, in addition to easing the burden on financial institutions tracking this data. Navy Federal believes this will not have any adverse actions on monetary control and applauds the Board for this action. We appreciate the opportunity to comment on this important subject. If you have any questions concerning our comments please feel free to contact Charla Downard, Policy Analyst, at (703) 206-2672.

Sincerely,

A handwritten signature in black ink that reads "Cutler Dawson". The signature is written in a cursive, flowing style.

Cutler Dawson
President/CEO

CD/cd