

From: Arkansas Bankers Bank, Jim Franks
Subject: Reserve Requirements

Comments:

February 12, 2008

Via e-mail: regs.comments@federalreserve.gov

1020 West 2nd Street
Little Rock, Arkansas 72201
November 24, 2008

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Room 6028
Washington, D.C. 20551

RE: Docket No. R-1350 - Proposed establishment of EBAs

Dear Ms. Johnson:

Thank you for allowing Arkansas Bankers' Bank to comment on the Federal Reserve Board's proposed amendment to Regulation D, specifically to authorize the establishment of limited-purpose accounts (EBAs) at the Federal Reserve Bank for the maintenance of excess balances of eligible institutions.

Arkansas Bankers' Bank (ABB), a wholly owned subsidiary of First National Bankshares, Inc. (FNBB), is one of twenty "bankers' banks" in the country, founded in 1990. Some 83 Arkansas community banks are stockholders of FNBB, and there are 302 total bank stockholders in FNBB. ABB serves approximately 120 of the 140 commercial banks in Arkansas. The services ABB provides its customer banks include such things as cash letter settlement, investment purchases/sales, safekeeping, and cash/liquidity management to specifically include a managed "agency" Fed Funds pool.

ABB commends the Federal Reserve Board for recognizing and addressing the issue cited in the proposed regulatory Notice. Since the Notice speaks for itself, I will not want to take time to repeat the issues that were so well articulated in the Notice. I believe that the Board has accurately assessed the critical aspects of the issue, and the root causes. ABB likewise hopes, as the Board stated, that the economic conditions will in the future return to some normalcy so that the new proposed EBA will not be necessary.

Again, Arkansas Bankers' Bank sincerely appreciates the fine work the Board has done with its recommended change.

Sincerely,

Jim Franks
Arkansas Bankers' Bank

