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National Association of Federal Credit Unions | www.nafcu.org

December 2, 2014

The Honorable John Boehner
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Nancy Pelosi
Democratic Leader
U.S. House of Representatives
Washington, D.C. 20515

Re: Support and Pass H.R. 3240, the *Regulation D Study Act*

Dear Speaker Boehner and Leader Pelosi:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association exclusively representing our nation's federal credit unions, I write today in support of the *Regulation D Study Act* (H.R. 3240). Introduced by Representatives Robert Pittenger and Carolyn Maloney, this bipartisan bill would mandate the Government Accountability Office to study the impact of the Federal Reserve Board's monetary reserve requirements on depository institutions, consumers, and monetary policy. As the House considers this bill under suspension of the rules, NAFCU urges you to support and pass this important legislation.

As you are aware, Regulation D limits a credit union member's ability to transfer their money between savings and checking accounts to six transactions per month. Once a transaction is made beyond that limit, a member could be charged a fee or their savings account is re-classified as a "transaction account." Under Regulation D's current rules, savings accounts are not subject to reserve requirements, while transaction accounts are. This discrepancy tends to be confusing for credit union members and often forces credit union employees to focus their attention on the compliance issue rather than member service.

Federal Reserve Regulation D is a prime example of a regulation that hasn't been reconsidered by Congress or the agencies in far too long. NAFCU believes a study of whether this outdated monetary reserve requirement imposed on depository institutions and consumers is necessary and believes the study would show strong evidence for the regulation's full repeal.

Thank you for the opportunity to share our thoughts as the House considers this important measure. If you have any questions or would like further information, please do not hesitate to contact me or NAFCU's Director of Legislative Affairs, Jillian Pevo, at (703) 842-2836 or jpevo@nafcu.org

Sincerely,

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the House of Representatives