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Rebeca Romero Rainey, *President and CEO*

*Via electronic submission*

March 24, 2020

The Honorable Jerome H. Powell, Chairman  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551

Dear Chairman Powell:

On behalf of community banks nationwide, with more than 52,000 locations, ICBA requests the Board of Governors of the Federal Reserve System (“Board”) to immediately suspend the transaction limits prescribed by Regulation D (“the Rule”) for at least 12 months. Regulation D limits customers to six transfers or withdrawals within their savings and money market accounts per month. The transfer limit applies to online transfers, transfers processed over the phone, automatic or preauthorized transfers, overdraft transfers from savings to checking accounts, and transfers made by check or debit card.

Since the beginning of the COVID-19 crisis, ICBA has engaged in discussions with community bankers from across the country and sees first-hand the toll the spread the virus and mitigation efforts are taking on customers, communities and the broader economy. Nevertheless, community banks continue to rise to the challenge by striving to meet the needs of their customers. While ICBA appreciates the steps taken by the Board since the beginning of this crisis, we believe the additional step of immediately eliminating Regulation D’s limitations would round out those efforts.

In response to recommendations by health care professionals and stay-at-home orders, consumers will continue to suffer reductions in work hours and unfortunately, loss of income. Transferring money from savings and money market accounts to their transaction accounts will increase as consumers seek to cover bills and household expenses, to prevent overdrafts, and to simply stay afloat. Restrictions on traveling outside the home, limited bank hours, and reduction in public transportation operations will force customers to facilitate more transactions online or over the phone and may cause them to meet and surpass their limit more quickly.

*The Nation’s Voice for Community Banks.®*

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The Rule also requires depository institutions to monitor these accounts to ensure customers do not surpass their limit. Monitoring includes declining withdrawal requests after reaching the limit, contacting customers to inform them they exceeded their transfer limit, closing the account and placing funds in another account that the depositor is eligible to maintain, or taking away withdrawal capabilities all together. In other words, as the Rule currently stands, a customer can be completely shut out from facilitating transfers from applicable accounts to cover various needs, during this crisis.

By eliminating the transfer and withdrawal limits, personnel at community banks and all depository institutions will be able to facilitate these transactions expeditiously and ensure customers have access to these accounts. Therefore, for the reasons communicated, ICBA respectfully requests the immediate suspension of Regulation D's account transfer and withdrawal restrictions.

ICBA appreciates the extensive steps already taken by the Board to protect the economy, and we look forward to working with you to continue the good work on behalf of community banks and their customers.

Sincerely,

/s/

Rebeca Romero Rainey  
President and CEO

cc: The Honorable Michelle W. Bowman

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