



January 8, 2019

VIA ELECTRONIC DELIVERY

Ann E. Misback, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Comment Intake
Bureau of Consumer Financial Protection
1700 G Street, NW
Washington DC 20552

Re: Board Docket No. R-1637; RIN 7100 AF-28; Bureau Docket No. CFPB-2018-0035; RIN 3170-AA31

Dear Ladies and Gentlemen,

The Wisconsin Bankers Association (WBA) is the largest financial trade association in Wisconsin, representing approximately 230 state and nationally chartered banks, savings banks, and savings and loan associations located in communities throughout the State. WBA appreciates the opportunity to submit comments on the Board of Governors of the Federal Reserve System's (FRB) and the Bureau of Consumer Financial Protection's (CFPB) proposed amendments to Regulation CC, which implements the Expedited Funds Availability Act (EFA Act).

The FRB and CFPB (Agencies) are, among other things, requesting comments or feedback on: (1) A proposed calculation methodology for implementing a statutory requirement to adjust the dollar amounts in the EFA Act every five years by the aggregate annual percentage increase in the Consumer Price Index for Wage Earners and Clerical Workers (CPI-W), rounded to the nearest multiple of \$25; and (2) FRB's previously proposed amendments to Regulation CC published in the *Federal Register* on March 24, 2011.

Methodology for and Timing of Adjustments to Dollar Amounts

As noted above, the Agencies are proposing a calculation methodology for implementing the statutory requirement to adjust the dollar amounts in the EFA Act. The Agencies propose to release adjusted amounts in the first quarter of 2019 with an effective date of April 1, 2020 to provide appropriate time after issuance for implementation. Subsequent adjustments would be made every five years, with implementation occurring a reasonable period of time thereafter to allow for necessary changes to be made to an institution's systems, disclosures, etc. The Agencies propose to use the July CPI-W, which is released in August. The proposal takes into account negative movements in the CPI-W on a year-to-year basis, but the dollar amount adjustments would always be zero or positive. In addition, the periodic

adjustments would be based on the initial "base" year so as to reflect the changes in inflation from the date of the provision's enactment.

WBA supports the methodology of dollar amount adjustments and the delayed timing for implementing such adjustments. In particular, we applaud the Agencies' acknowledgment of the challenges to institutions if changes to regulatory requirements are too frequent or abrupt, as well as the need to provide sufficient time after issuance of a final rule for implementation. Providing for at least a year to implement the inflation adjustments, as proposed, is crucial for institutions to review the changes, revise and distribute new forms and notices, adjust documentation systems and websites, and provide updated training to, and training materials for, staff. And, if for some reason the final inflation adjustments are not released as anticipated in the first quarter of 2019, the Agencies should extend the mandatory effective date so that the period for implementation is at least one year following the release of the adjustment amounts.

In addition, WBA urges that any non-inflation related changes to the disclosures should be effective at the same time as the mandatory inflation adjustments. Going forward, institutions will have to change disclosures, systems, and policies every five years due to the inflation adjustments, and should not have to change them in between those years. Failure to coordinate inflation and non-inflation changes would result in unnecessary costs and burdens.

FRB's March 24, 2011 Regulation CC Proposal

The FRB's 2011 proposal sought to reduce the period of time within which deposited funds may be held. WBA submitted comments in opposition to a reduction in those time periods. WBA's position has not changed on this matter. In fact, there has been a significant increase in counterfeit check and other related fraudulent activity in the last 8 years, given the ease of access and advancement in technology used by perpetrators of fraud. WBA is concerned, now more than ever, that any reduction in hold periods will result in greater losses to financial institutions and consumers alike.

WBA would also like to comment on the provision in the 2011 proposal, which in effect, would require institutions to provide hold notices electronically if the hold notice is not provided in person and the customer has agreed to accept disclosures electronically. We oppose this provision. While WBA agrees it is important to alert customers as soon as possible that a hold has been placed on their deposit, mandating electronic notices in these circumstances continues to present technical and practical issues. WBA believes that providing electronic notices for this purpose is a decision that should be made by each institution, rather than mandated by regulation.

Once again, WBA appreciates the opportunity to comment on these important matters.

Sincerely,



Rose Oswald Poels
President/CEO