

Tiller Endeavors, LLC

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Summary of Regulation J Comment Letters

As of the time of this writing, the Federal Reserve has posted a total of 26 comment letters on its website; https://www.federalreserve.gov/apps/foia/ViewAllComments.aspx?doc_id=R-1599&doc_ver=1. The 26 postings include one from the Reserve Bank of Atlanta and two from Tiller Endeavors; one filed on Sunday, May 13 and an addendum to the May 13th letter filed on Monday, May 14. Combining the two Tiller Endeavors' letters there are 24 non-Federal Reserve comment letters.

Of the 24 non-Federal Reserve comment letters, only one supported the Federal Reserve Board's proposal to prohibit ECIs in Regulation J. This represents only 4% of the total non-Federal Reserve comment letters.

The 24 non-Federal Reserve comment letters included 54 separately named entities plus 3 "anonymous" letters for a total of 57 entities. Of these 57 non-Federal Reserve commenters:

- 4 entities (1 comment letter) supported the Federal Reserve's ECI prohibition – 7%
- 6 entities expressed neither support nor opposition to the prohibition of ECIs in the regulation – 10.5%
- 47 opposed the Regulation J prohibition of ECIs – 82.5%
 - One entity referred to multiple signers in its letter but only one signatory was listed, so that was counted as one comment letter and one commenting entity
- 51 entities expressed an opinion either in support or in opposition to the ECI prohibition
 - Of these 47 expressed opposition or 92.2% opposed and 4 supported or 7.8%
- Excluding the anonymous letters there were 48 named entities that expressed an opinion
 - Of these 44 expressed opposition or 91.7% and 4 supported or 8.3%

Summary facts:

- Of the non-Federal Reserve commenters that expressed an opinion on the prohibition of ECIs, as many as 8.3% expressed support for the Federal Reserve's proposed prohibition of ECIs in Regulation J and
- Of the non-Federal Reserve commenters that expressed an opinion on the prohibition of ECIs and that included named entities, 91.7% expressed opposition to the proposed changes
- **More than 11 times as many non-Federal Reserve, named entities opposed the prohibition as expressed support for it**

Based on these results, the Federal Reserve should consider the substantial opposition to the prohibition of ECIs and promptly establish an industry forum to actively discuss how the market interest in ECIs can be addressed. The industry forum should include representatives of the entire industry and include at least those parties with sufficient interest to provide comments to the Federal Reserve on this proposed regulatory change.

To steer the course, you need a Tiller!

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