

THE *First* NATIONAL BANK
AND TRUST COMPANY OF NEWTOWN

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July 1, 2011

Board of Governors of the Federal Reserve System
Attn: Jennifer J. Johnson, Secretary
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Re: Docket No. R-1419 and RIN 7100-AD 76

Dear Sirs,

We are a \$776 million National Bank with 16 offices serving a portion of Bucks County, Pennsylvania which is included in the Philadelphia MSA. We consider ourselves a community bank and have upheld that commitment since we opened for business in 1864. We offer a variety of services to both consumers and businesses which include wire transfers (domestic and international) and online bill payment.

The bulk of our wire transfer activity is performed for our commercial customers. However, we do have a small segment of our consumer customer base who request international wires. Some of these are repeat wires to the same individual in the same country for such things as college tuition or expenses. Others are infrequent wires for purposes such as vacation rentals or personal purchases.

The new requirements for a pre-payment disclosure that includes all fees may be feasible for the repeat wires we initiate, but virtually impossible for the one-time wires. How will we be able to determine fees for an unknown number of intermediary banks, possible government fees or taxes? If our correspondent bank, who initiates the international wires for us, manages to determine all of this, it may be several days before the information is returned to us and then given to the customer. Many times, the customer needs the money transferred as quickly as possible. Not next week when we have all our information together.

The above virtually mirrors our stance on the promised date of delivery. How will we be able to determine how long the wire transfer will take to get to the designated party?

The proposed exemption for five years for insured institutions will provide some relief. However, until there is a world-wide data base of fees and taxes charged by each entity involved in remittance transfers, the proposed rules will be impossible for small community banks to comply with.

The error resolution and cancellation portion of the proposal are putting us at the mercy of every entity involved in the remittance. We have no control over how quickly a foreign entity will investigate an error or send information back to us. If they simply decide not to comply with a request for information, what are we to do? Do we need to refund the amount in question with no ability to collect from the entity that caused the error?

If this proposal is enacted, our bank will need to consider whether it is feasible for us to continue to offer this service to our consumer customer base. It is again giving large institutions an unfair advantage because the cost of compliance will be too high for community banks to bear.

Sincerely,

Dorothy Cooper
Assistant Vice President
Compliance Officer