FARMERS STATE BANK
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April 19, 2004

Ms. Jennifer J. Johnson, Secretary
Roard of Governors of the Federal Reserve System
20'" Street and Constitution Avenue, NW
Washington, DC 20551
Attention: Docket No. R-1150

Dear Ms. Johnson:

As a community banker having just completed an examination, I greatly welcome the regulator's effort on the critical problem of regulatory burden. We as community bankers work hard to establish the trust and confidence with our customers that are fundamental to customer service, but consumer protection rules fi-equently interfere with our ability to serve our customers. There are a number of issues that present themselves or problems that contribute to this growing burden of paper documentation. The cominunity banking industry is slowly being crushed under the cumulative weight of regulatory burden, something that must be addressed by Congress and the regulatory agencies before it is too late.

We as community bankers no longer will be able to provide the personalized financial services that our customers have requested due to the regulatory burden and requirements. This is especially true for consumer protection lending rules, which are well intended, unnecessarily increased cost for consumers, and prevent banks from serving customers. While each individual requirement may not be burdensome itself, the cumulative impact of consumer lending rules, and by driving up costs and slowly processing time for loans from legitimate lenders, helps create a fertile ground for predatory lenders. It's time to acknowledge that consumer protection regulations are not only a burden to banks but are also a problem for consumers.

Our bank has grown substantially due to the fact that we strive to provide one on one personal service for our banking cliental. Our customer cliental feel that it is time to quit killing trees in an effort to supply paper trails to document the regulatory compliance in connection with the consumer transactions.

We would appreciate your efforts in curtailing this burdensome requirement as it affects the rights of rescission, the Equal Credit Opportunity Act, the Home Mortgage Disclosure Act, flood insurance, and all the other voluines of regulatory requirements facing the community banking industry today We would appreciate your help and support in eliminating this burden.

Yours very truly,

FARMERS STATE BANK

E. Dean Niedan
Chairman