



Calvin B. Taylor Banking Company / P.O. Box 5, 24 N. Main, Berlin, Maryland 21811 / 410-641-1700 / Member F.D.I.C.  
FAX: 410-641-0543

April 12, 2005

Mr. Robert E. Feldman, Executive Secretary  
Federal Deposit Insurance Corporation  
550 - 17<sup>th</sup> Street, NW.  
Washington, DC 20429

Re: Reducing Regulatory Burden  
Money Laundering, Safety and  
Soundness and Securities Rules

Dear Mr. Feldman:

We are pleased to submit comments on reducing regulatory burden relating to Money Laundering, Safety and Soundness, and Securities Rules. The regulations enacted pursuant to the Bank Secrecy Act and anti-money laundering are our most burdensome regulations. Below are our recommendations to alleviate the burden without impacting the intent of the regulations:

- **Money Laundering** - Increase the threshold for transactions requiring CTRs from \$10,000 to \$25,000. The \$10,000 threshold has not been changed since it was established in 1979. Back then cash transactions over \$10,000 were an infrequent event, now it is common to process these types of transaction and it causes a burden due to the large number of CTRs that must be filed.
- **Money Laundering** - Eliminate the biennial renewal of Phase II exemptions. Permit the initial exemption to continue until the bank determines that the customer's attributes no longer qualify for exempt treatment. In addition, because the annual review of eligibility status must be done, it appears to be redundant to require the bank to file a biennial renewal document.

Branches:

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- 100 20th Street, Ocean City, MD 21843 / 410-289-8171
- 14200 Coastal Hwy., Ocean City, MD 21842 / 410-250-1405
- 9105 Coastal Hwy., Ocean City, MD 21842 / 410-723-2044

- 10524 Old Ocean City Blvd., Berlin, MD 21811 / 410-641-1728
- 11103 Cathell Road, Ocean Pines, MD 21811 / 410-641-5111
- 2140 Old Snow Hill Road, Pocomoke, MD 21851 / 410-957-3200
- 108 West Market Street, Snow Hill, MD 21863 / 410-632-1700
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- **Money Laundering** - Reduce the eligibility period to qualify for exempt status. If a new customer has conducted frequent currency transactions during the initial 6 months reduce the time a customer may be eligible for exempt status from 12 to 6 months.
- **Money Laundering** - Increase the threshold for money laundering SARs from \$5,000 to \$10,000.
- **Money Laundering** - Increase the threshold for monetary instruments from \$3,000 to \$10,000.
- **Safety and Soundness** – For highly rated banks, require on site exams every 24 months. With the quarterly call reports the FDIC knows if a bank deviates from its successful trends.

We appreciate the opportunity to participate in this endeavor to reduce outdated, unnecessary and unduly burdensome regulatory requirements.

Sincerely,

**CALVIN B. TAYLOR BANKING CO.**

Reese F. Cropper, Jr.,  
Chairman & CEO