

From: "Bruce Olness" <bruce@cornerstonestatebank.com> on 09/23/2005 10:50:05 AM

Subject: EGRPRA

I have owned and operated a small bank in Southern Minnesota for over 30 years and am quite concerned about Regulatory burden and the increase of the burden that is not related to banking. The issues are either to solve social issues or chase bad guys for other agencies. All of which is unfunded mandates. Yet at the same time there are more charters, branches, and non-banks entities eating away at our profit margins.

Just yesterday I received a ICBM flyer in conjunction with FDIC on a BSA seminar, the agenda included issues on Money Laundering and Terrorist, other issues on BSA, OFAC, the Patriot act, SAR's, and on and on. The banking industry has mostly honest people, but the failure to comply or accidentally miss a report or make a small honest error on any of these the regulatory penalty is very severe. There is no balance.

We cannot make rules or laws for every little error or injured customer somewhere in the world. Although I do see problems, just yesterday a customer dropped off a brochure about Countrywide having a 3.99% HELOC and was wondering why our rate was so high? Ah! after reading the "small" print their special rate was for a whole 30 days and required minimum usage. At our last examination our bank was criticized for having "Overdraft Charge" on a brochure and "OD Charge" on the customers bank statement. Our computer technology still has space limitation that occasionally require abbreviations, but a written criticism!!!

Overall my biggest vent is and continues to be the enormous amount of paperwork generated to service others, a mortgage loan closing has so many copies and requirements fro both state and federal issues that it is beyond the customer comprehension to read. Then we report it 8 ways from Sunday, sliced and diced in call reports, HMDA reports, real estate reports, IRS reports, to generate work for some analyst to crunch numbers that means very little to anybody other than the analyst. All of this watchdog checking and rechecking to file reports for other agencies is a burden on the capital and earnings of a banking industry. We spend as much time with these issues as we do trying to run a bank, make money, and service our communities and customers.

As soon as possible the Patriot Act, HMDA, and BSA should be put on the shelf and/or eliminated among others.