Frost

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February 11, 2014

VIA EMAIL: comments@fdic.gov
Gary A. Kuiper, Counsel
Attn Comments, Room NYA-5046
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429

RE: Consolidated Reports of Condition and Income, 3046-0052

VIA EMAIL: regs.comments@federalreserve.gov
Robert DeV. Frierson, Secretary
Board of Governors of the
Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

RE: Consolidated Reports of Condition and Income (FFIEC 031 and 041)

VIA EMAIL: regs.comments@occ.treas.gov
Legislative and Regulatory Activities Division,
Office of the Comptroller of the Currency
Attention: 1557-0081
400 7th Street S.W., Suite 3E-218, Mail Stop 9W-11
Washington, DC 20219

RE: Docket ID OCC-1557-0081

Frost Bank appreciates the opportunity to offer comments on the Reporting Changes to Schedules RC-E and RI of the Call Report.

In response to the request for specific comment:

Regarding the ability of financial institutions to identify from their deposits systems of record all account types identified as intended primarily for individuals for personal, household, or family use. Frost understands the capability of banks' existing core processors to provide the information after code modifications and additional programming resources are deployed. The cost of the modifications necessary to comply is expected to be significant under the assumption

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additional programming is required and could possibly be borne by all institutions, regardless of size, due to service providers of call report programs not providing separate call report programs for particular asset size classes of banks.

Regarding the ability of financial institutions to comply with the March 31, 2014 requirements for Schedule RC-E "Components of total transaction and non-transaction account deposits of individuals, partnerships, and corporations;" after first identifying all account types as intended primarily for individuals for personal, household, or family use financial institutions, must then identify all transaction accounts both noninterest-bearing (DDA) and interest-bearing (IOC); as well as non-transaction accounts (savings and MMA) that are NOT time deposits from their general ledger. Provided that the reporting institution does not "sweep" on a nightly basis eligible transaction accounts into non-transaction accounts to minimize required reserves by means of a sub-ledger system some account types intended primarily for individuals for personal, household, or family use by the categories DDA, IOC, savings and MMA and report accordingly. Depending on the capabilities or limitations of deposit system of records or service providers this may prove to be achievable or extremely difficult to achieve. In either scenario, for the majority of depository institutions this may prove to be a financial hardship to comply with, especially if additional programming is required or external consultants are involved.

In the event the reporting institution does "sweep" daily to minimize required reserves, the reporting institution must identify the dollar amount of each account type intended primarily for individuals for personal, household, or family use that are actually "swept" from transaction accounts (DDA and IOC) on a given Call Report date. Then the dollar amounts of only these specific account types identified as "swept" must be summed; and then reclassified from the total of DDA and IOC (transaction) accounts identified in the paragraph above as intended primarily for individuals for personal, household, or family use. Then these same totals that were reclassified immediately above must be classified as MMA (non-transaction account) along with the total for MMA accounts also identified in the paragraph above. The source of this information should come from a sub-ledger system that the reporting institutions utilizes to initiate the daily sweep. Again depending on the capabilities or limitations of their deposit system of records or service providers this may prove to be achievable or extremely difficult to achieve. Either way for the majority of depository institutions this may prove to be a

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financial hardship to comply with due to the additional programming involved or third party vendors involved.

The above scenario brings up an additional concern regarding the comparability of the specific types of accounts across all institutions going forward. Depending on the individual financial institutions protocol for handling transaction accounts that demonstrate the characteristics of non-transaction accounts.

Regarding the ability of financial institutions to comply with the March 31, 2015 requirements for Schedule RI, "Components of service charges on deposit accounts (in domestic offices"), reporting institutions will need to first identify from their deposit systems of record all account types identified as intended primarily for individuals for personal, household, or family use. Then secondly, depending on the capabilities or limitations of their deposit system of records or service providers, depository institutions need to be able to "mine" for specific components of service charges on deposit accounts (OD fees, maintenance fees, and ATM fees). Whether this information resides on the deposit system of record, the general ledger or some data warehouse or data mart and is readily accessible is the question. If not and additional programming or external resources are brought in to accomplish reporting this degree of granularity could be extremely costly to the majority of depository institutions.

Frost Bank respectfully submits these comments in an effort to ensure that the US banking systems remains a competitive, safe and sound place for customers to conduct business.

Sincerely,

R Clay

Reed Claybrook
Associate Relationship Manager
Frost Bank