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February 13, 2014

Legislative and Regulatory Activities
Division
Office of the Comptroller of the
Currency
Attention: 1557-0081
400 7th Street, SW
Suite 3E-218, Mail Stop 9W-11
Washington, DC 20219

Mr. Robert de V. Frierson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Mr. Gary A. Kuiper
Counsel
Attention: Comments, Room NYA-5046
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Re: Agency Information Collection Activities: Submission for OMB Review; Joint Comment Request
OCC OMB Number: 1557-0081
Board OMB Number: 7100-0036
FDIC OMB Number: 3064-0052

Dear Ladies and Gentlemen:

The Independent Community Bankers of America (ICBA)[1] appreciates the opportunity to comment on the evaluation conducted by the Federal Financial Institutions Examination Council (FFIEC), Office of the Comptroller of the Currency, Federal Reserve System, Federal Deposit Insurance Corporation, and Consumer Financial Protection Bureau

[1] The Independent Community Bankers of America®, the nation's voice for nearly 7,000 community banks of all sizes and charter types, is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best-in-class education and high-quality products and services.

With nearly 5,000 members, representing more than 24,000 locations nationwide and employing more than 300,000 Americans, ICBA members hold more than $1.2 trillion in assets, $1 trillion in deposits, and $750 billion in loans to consumers, small businesses and the agricultural community. For more information, visit ICBA's website at www.icba.org.

(CFPB) (collectively "agencies") on their proposal dated February 21, 2013 to revise and expand the call report beyond it's intended use as a safety and soundness reporting tool. Please see both the attached ICBA letter to the agencies and the attached joint letter to the agencies dated April 22, 2013 for further background on the original proposal and our comments. Our comments pertaining to the evaluation are limited to the decisions reached on consumer deposit account balances and consumer deposit service charges.

**ICBA continues to have grave concerns about the introduction and revision of call report items that require the submission of expanded consumer deposit data on consumer deposit account balances and consumer deposit service charges.** While community banks across the United States understand the desire to gather information on certain aspects of consumer deposit accounts, the information gathering effort put forth in the notice represents the latest in a long line of new regulatory burdens faced by these institutions with a public policy purpose that is directed at much larger financial institutions that offer commoditized retail financial products specifically designed for consumers. As relationship lenders for consumers and small businesses in diverse local communities, community banks offer customized lending and deposit solutions for their customers that cannot be simply categorized along consumer and business banking lines. A prolonged expansion of the size and purpose of the call report places additional regulatory burdens on the nation's community banks and unnecessarily impedes their ability to operate viable financial institutions that can survive the crushing weight of burdensome, confused, and aimless regulation. **In order to effectively gather accurate consumer deposit and service charge data that achieves the intended consumer protection purpose, ICBA requests that these and any other information collection activities by the Consumer Financial Protection Bureau not be applied to financial institutions with total consolidated assets of $10 billion or less.**

**Background**

The agencies have finalized their proposal to expand the reporting of consumer deposit account balances and consumer deposit service charges on the quarterly call reports that regulated financial institutions file with the FFIEC. This expanded reporting was included in a larger proposal issued for comment in February of 2013 for amending financial institution regulatory reporting to include the consumer protection role and non-safety-and-soundness objectives of the CFPB.

*Consumer deposit accounts.* With the issuance of this notice, the agencies are requiring that, effective March 31, 2014, financial institutions with total assets of $1 billion or more that acknowledge the offering of transaction account or nontransaction savings account deposit products intended for individuals for personal, household, or family use, provide a further delineation of the account types offered and the balances in those accounts.

Amounts would be populated for deposits in noninterest-bearing transaction accounts

intended for individuals for personal, household, or family use; deposits in interest-bearing transaction accounts intended for individuals for personal, household, or family use; and deposits in all other transaction accounts of individuals, partnerships, and corporations. Amounts would also be populated for deposits in nontransaction savings deposit accounts including money market deposit accounts. Account types would be segregated by deposits in money market deposit accounts intended for individuals for personal, household, or family use; deposits in all other money market deposit accounts of individuals, partnerships, and corporations; deposits in other savings deposit accounts intended for individuals for personal, household, or family use; and deposits in all other savings deposit accounts of individuals, partnerships, and corporations.

*Consumer deposit service charges.* With the issuance of this notice, the agencies are requiring that, effective March 31, 2015, financial institutions with total assets of $1 billion or more that acknowledge the offering of transaction account or nontransaction savings account deposit products intended for individuals for personal, household, or family use provide details about the components of the service charges on their deposit accounts based on three categories. The first category would cover consumer overdraft-related service charges on deposit accounts intended for individuals for personal, household, or family use. The second category would cover consumer account monthly maintenance charges for deposit accounts intended for individuals for personal, household, or family use. The third category would cover consumer customer ATM fees for deposit accounts intended for individuals for personal, household, or family use. An additional fourth category would be used to capture all other service charges on deposit accounts.

**ICBA's Comments**

ICBA continues to question the validity and usefulness of the information requested through these proposed changes to the call report. Community banks of all sizes have come under immense regulatory scrutiny with layer upon layer of new federal rulemakings that seek no other useful purpose than to force the consolidation of the industry. This expanded use of information collection represents yet another reporting burden that taxes community banks while providing no real tangible benefit. Regulators should not move forward with the proposal without first assessing the overall reporting burden faced by community banks, the incremental increase in reporting burden this proposal adds to community bank resources, and the total amount of information requests that can be added to the call report before the report itself deteriorates into a useless repository of information that no longer benefits customers, stakeholders, and regulators. Expanding call reporting to capture information beyond what is needed for safety and soundness assessment detracts from its effectiveness in gauging the financial health of a community bank institution. **ICBA renews its request that the proposed information collection activities for consumer deposit accounts and consumer deposit service charges not be applied to financial institutions with consolidated assets of $10 billion or less.**

The request for information on consumer deposit accounts intended for individuals for personal, household, or family use cannot be used to provide an accurate picture of the consumer deposits held at a respective institution because the request is based on intent and not practice. Community banks, as relationship lenders in their local communities, do not maintain deposit accounts in the same manner as the larger regional and money center banks that offer only commoditized products for a mass audience. Community banks may package deposit account relationships that incorporate both household and small business activities together with deposit accounts that otherwise operate in the same manner. A series of accounts for a specific customer may be flagged as intended for family use even though the customer may use the accounts for both personal and small business purposes either at inception of the relationship or as the relationship evolves. There is no effective way for the bank to discern the nature of the account based solely on the intent of the offering. The likely result of this exercise is the misstatement of consumer deposit account balances that could materially distort the conclusions reached about how that specific financial institution serves its individual, household, and small business customers.

The request for information on consumer deposit service charges will present similar distortions of fees paid by bank customers because many of the fees paid relate to business or other non-consumer activities even though the account relationship may have originally started as being for household or family use or the relationship is of mixed use. Additionally, disclosures of fees paid by bank customers is not relevant without also including disclosures about costs incurred by the bank related to servicing deposit accounts. Similar to the reporting of deposit accounts intended to be used by individuals for personal, household, or family use, service charges paid by consumers could be materially misstated resulting in incorrect call report data. Reliance upon this incorrect data could cause one or more regulatory agencies to act improperly and in such a way that brings harm to the regulated institutions.

ICBA appreciates the opportunity to provide comments on this proposal. If you have any questions or would like additional information, please do not hesitate to contact me at (202) 659-8111 or james.kendrick@icba.org.

Sincerely,

/s/

James Kendrick
Vice President, Accounting & Capital Policy