



October 11, 2016

Manuel E. Cabeza
Counsel
Attention: Comments, Room MB-3105
Federal Deposit Insurance Corporation,
550 17th Street, N.W.
Washington, D.C. 20429
comments@FDIC.gov

Office of the Comptroller of the Currency
Legislative and Regulatory Activities
250 E Street, SW, Suite 3E-218
Mail Stop 9W-11
Washington, DC 20219
prainfo@occ.treas.gov

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

RE: FFIEC 051, Proposed Agency Information Collection Activities

Ladies and Gentlemen:

Thank you for the opportunity to provide comment on the paperwork reduction proposal and introduction of FFIEC that were recently proposed by the Federal Reserve Board, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation (collectively the "banking agencies") in the Federal Register dated August 15, 2016.

Below are the comments of Citizens' Bank regarding the proposal to shift institutions with assets of less than \$1 billion from the current FFIEC 041 call report to a new FFIEC 051 call report. Citizens' Bank has been in operation for 36 years in Baldwin County Alabama. We maintain 3 branches in our county and are truly a community bank. We do not engage in derivatives, are not a participant in any loss sharing agreements and do not engage in any banking activities with foreign banks or governments. As such most of

the changes included in the proposal which would reduce the call report from 86 to 61 pages and eliminate 40% of the 2,400 data items already do not apply to our institution. The main difference our institution will notice is the elimination of schedules that previously were being reported with all zero values. (as indicated in the detail provided on page 54195)

As mentioned on page 54193 of the Federal Register the most cumbersome schedule is RC-R. Schedule RC-R now takes nearly as long as all other schedules of the call report combined to complete. It is unfortunate that the regulation regarding capital computations was not made less complex for smaller institutions.

It is also disheartening to see that a federal regulator can require the bank to switch back to the FFIEC 041 at any time if the institution is engaged in complex, specialized or other high risk activities. The proposal is extremely vague in outlining examples of what would constitute complex, specialized or other high risk activities.

We were previously optimistic that possibly the small farm/small business information would return to less frequency of collection. However as the proposal indicates this information is considered necessary for monitoring monetary policy and would not see a reduction.

Also increasing the manner in which certain schedules relate to one another would be helpful. For instance on RC-L it would be beneficial if the reporting categories for loans matched exactly to RC-C. Some of the RC-C categories get aggregated for reporting on RC-L, leading to additional manual intervention.

The combination of RC-E and RC-O would also seem logical based on the data being collected.

Also while the proposal indicates that the call report is 81 pages in actuality it is currently 96 pages for our bank due to the complexity of RC-R. The one report for RC-R is several pages in printed form based on the current format.

As to the questions outlined on page 54198:

- Lead time is acceptable for March 31, 2017 as it would primarily be the elimination of schedules our institution does not utilize. There would be no systems changes required for this proposal.
- Citizens' Bank does feel that changes should be implemented as approved instead of waiting until the end of the complete review of the call report.
- Citizens' Bank is indifferent on institutions being able to choose FFIEC 041 or FFIEC 051.
- Citizen's Bank estimates that there will be no reduction in burden to prepare the call report based on this proposal.
- Additional methods of collecting data should be considered. If possible as noted above some data could be reported through other reports already in existence.

Citizens' Bank is also concerned with the growth of the credit unions as detailed in the news. And there is proposed legislation to further the credit unions commercial lending activities which could further accelerate their growth. This comment is not intended to be directed at the unfair advantages of having no taxes and what is now a seemingly unlimited membership base. This comment is instead aimed at the ability of community banks to retain talented accounting professionals, when we have such a cumbersome call report and the credit unions currently have a 28 page report on Form 5300. For two business entities engaged in highly similar business activities, it definitely adds to the disadvantage faced by community banks in the financial institutions arena.

Thank you for the opportunity to comment.

Sincerely,

Andie N Noonan

Andie Nabors Noonan
Chief Financial Officer
251-947-6258

andie.noonan@citizensbankal.com

P O Box 569
Robertsdale, AL 36567

cc: Mike Hill, Superintendent Alabama State Banking Department
Senator Jeff Session (via Fax)
Representative Bradley Byrne (via Fax)
Senator Richard Shelby (via Fax)
Representative Spencer Bachus (via Fax)
House Committee on Financial Services (via Fax)