



October 14, 2016

Via Email: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov)

Subject: Proposal for Comment (FFIEC 031, 041, and 051)

Mr. Robert Frierson, Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW.  
Washington, DC 20551

Dear Mr. Frierson,

Thank you for the opportunity to provide my comments on the call report changes recently proposed by the Federal Financial Institutions Examination Council (FFIEC). The call report continues to represent a large and growing regulatory burden for my bank and the entire community banking industry. Therefore, I am encouraged that the FFIEC is moving toward implementing call report reforms with a focus on minimizing the burden on reporting banks as one of its stated key “guiding principles.” The proposed changes are a good start but do not go far enough. Additional work can and should be done to help more banks with this significant burden by eliminating unnecessary items (even entire schedules) and also eliminating items that may be of use but are not worth the cost to produce.

Many of the proposed changes would not apply to us at all since Happy State Bank is a \$3 billion bank. Based on the \$1 billion threshold for the proposed FFIEC 051, our bank will continue to file FFIEC 041 (and the changes proposed for FFIEC 041 are minor and would not create much burden relief for our bank). Various data collection schedules included in FFIEC 041 – such as those relating to securitization activities, loans to foreign governments, venture capital income, credit derivatives and trading activities – are not applicable to most community banks including many, such as Happy State Bank, with assets over \$1 billion. To extend the burden reduction, I urge that the asset threshold for filing FFIEC 051 be raised to banks with less than \$10 billion in total assets, and that the form be required semi-annually instead of quarterly. This would still provide the Federal Reserve and other regulators with the necessary, relevant and timely information required for informed decisions regarding the safety and soundness of community banks.

I truly appreciate the opportunity to express my thoughts regarding the proposed FFIEC call report changes as they relate to Happy State Bank.

Respectfully submitted,

J. Pat Hickman

Chairman and Chief Executive Officer