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October 15, 2004

Public Information Room  
Office of the Comptroller of the Currency  
250 E Street SW  
Mailstop 1-5  
Washington, D.C. 20219

Attention: Docket # 0418

Dear Sir or Madam:

Wilber National Bank is a community bank with 19 offices and assets of \$737 million, located in central New York. The purpose of this letter is to provide comment on the Agencies' request for burden reduction recommendations relative to consumer protection rules pertaining to accounts, deposit relationships, and miscellaneous consumer rules.

As a community bank, Wilber National Bank supports the EGRPRA project and commends the banking agencies for their efforts to identify outdated, unnecessary, or unduly burdensome regulatory requirements. Accordingly, Wilber National Bank would like to take this opportunity to offer comment on the following issues:

#### **Privacy of Consumer Financial Information**

The annual privacy notice that banks must provide to their customers is not only very time consuming and costly, but the language for the notices required by law and regulation is confusing to customers. A standardized, short form notice would be welcome, but it should replace, not supplement, the existing notice.

Even more important, financial institutions should not have to send/mail an annual privacy notice if they do not change their privacy policies and procedures. We give our customers the notice at account opening. That should be adequate considering that we also provide information about our privacy policy upon request, and on our website. In addition, the annual notice is particularly unnecessary for community banks like Wilber, who do not share nonpublic personal information outside of the allowable exceptions. We estimate this practice costs us about \$15,000 annually. I'm sure if you were to poll consumers, you would find that only a small percentage read the notices, and even a smaller percentage actually take action as a result of the notice. Perhaps only banks requiring an opt out decision should be required to mail the notice annually.

#### **Truth in Savings (Regulation DD)**

Although we are accustomed to the many disclosures required under Truth in Savings, it seems that most customers pay little attention to them. As you know, there is a substantial cost to developing the programs and procedures to produce these disclosures. However, if consumers

are not paying attention to them, the effectiveness of the disclosure requirements of Regulation DD comes into question.

The banking agencies should, therefore, study whether these disclosures are truly serving their purpose. All interested parties should be involved in the study, including banks, consumers and software providers. Perhaps Regulation DD would be an ideal candidate for streamlining and simplification, if, as a result such reform, the overall effectiveness of these disclosures could be improved.

#### **Consumer Protection in Sales of Insurance**

The "risk" disclosures required by these regulations do not fit certain products including credit life and related products, debt cancellation contracts, and flood insurance. The focus of these rules should be on insurance products that are similar to a deposit product and that a consumer might confuse with a deposit that is FDIC-insured. Bankers find it burdensome to disclose each time they sell a customer credit life insurance, that credit life insurance is not a deposit and not FDIC-insured nor insured by any federal government agency. It is also burdensome to obtain the consumer's written acknowledgement of the disclosures each time an insurance product or annuity is sold.

#### **Electronic Fund Transfers (Regulation E)**

Consumer liability from unauthorized transactions that result from sharing a personal identification number (PIN), writing the PIN on the card, or keeping the PIN in the same location as the card, should be increased from \$50 to \$500, as it is unfair for banks to be presumed liable in every instance for unauthorized EFT transactions.

#### **Conclusion**

The volume of regulatory requirements facing the banking industry today presents a daunting task for any institution, but severely drains the resources of community banks. Wilber National Bank, therefore, appreciates the opportunity to comment on Phase 3 of the EGRPRA and is supportive of its initiative. We would be happy to speak with any member of your EGRPRA team regarding the matters addressed above or any other regulatory burden facing community banks. We look forward to learning the opinions of other commenters, and any proposals for reducing regulatory burden that may come about as a result of this project.

Very truly yours,



Dorothy Quarlters  
Compliance Officer

cc: Senator Hillary Clinton  
Senator Charles Schumer  
Rep. Sherwood Boehlert

