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Satterfield, Kevin

From: Mike Earley [mearley@bankerstrust.com]
Sent: Monday, October 18, 2004 6:07 PM
To: Regs.Comments
Subject: Comment Letter - Docket No. 04-18

Please see attached comment letter.

J. Michael Earley
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October 18, 2004

Ms. Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Re: Docket No. 04-18

Dear Ms. Johnson:

Thank you for providing the opportunity to comment on the EGRPRA Request for Burden Reduction Recommendations; Consumer Protection: Account/Deposit Relationships and Miscellaneous Consumer Rules. Our institution is a community bank with assets of $1.6 billion in Des Moines, Iowa and with approximately 300 employees.

We have carefully reviewed the proposal and request that you consider the following concerns:

Consumer Protection in Sales of Insurance

The inclusion of credit insurance as a product that requires the non-deposit investment disclosure is both confusing to customers and time consuming for bankers. Not only must the banker explain the notice to the customer, but he/she must also explain that credit insurance is not an investment product, which is implied in the notice. We do not feel customers believe that credit insurance is an investment product.

In reality, including the notice requirement for credit insurance product actually increases the confusion a customer experiences, as well as adds to the time required to complete a loan transaction. These both add to the compliance burden associated with a lending product.

In addition, we believe the requirement to provide both an oral and a written disclosure is duplicative.

Privacy of Consumer Financial Information

Customers currently receive a Privacy Notice when opening a new account. The requirement that a subsequent Privacy Notice be sent annually is both redundant and costly. Accommodating this requirement costs banks thousands of dollars individually each year, as well as hundreds of employee hours. Because the customer is inundated with these notices annually from various sources, customers may disregard the notices all together, rather than reading them. It would be much less of a regulatory burden for banks to only send a Privacy Notice when practices actually change. This would also increase their value since the customer would be more likely to read the

notices if they are only sent when changes occur. Other regulations currently provide for notice and disclosure only when a change in terms occurs, and we believe this notice requirement should operate in the same way.

Thank you in advance for your consideration of our comments regarding this proposal. If you have any questions regarding the contents of this letter, please contact our Compliance Officer, Peggy Bishop (515/245-5256) or Assistant Compliance Officer, Cindy Williams (515/245-2891).

Sincerely,

J. Michael Earley
President and CEO

JME/mjh