

**From:** Michelle Ferguson [mailto:mferguson@bankofnc.com]

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**To:** regs.comments@federalreserve.gov; Comments; regs.comments@occ.treas.gov;  
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**Subject:** EGRPRA

Ladies and Gentlemen:

I would like to reiterate the letter the North Carolina Banker's Association submitted to you on April 20, 2005 regarding request for burden reduction recommendations. At Bank of North Carolina, we support the following

recommendations:

### CURRENCY TRANSACTION REPORTS

Our first recommendation relates to Currency Transaction Reports (CTRs). We recommend the threshold for filing CTRs be modified. The current threshold of \$10,000 has not been adjusted for inflation and is too low to be truly beneficial. We propose increasing the threshold to at least \$25,000.

As a related issue, we propose modifying the definition of exempt persons. Currently, a customer can qualify for exempt status by maintaining an account for at least 12 months and meeting additional requirements. As other commentators have stated, this waiting period should be substantially shorter. CTRs lose their effectiveness when they are being filed needlessly, which may occur when an established business moves an account between banks.

Similarly, we ask you to consider eliminating the biennial filing requirement with respect to certain exempt persons. Banks are already required to provide information annually supporting the designation of exempt persons. It seems unnecessary to require more frequent filings for certain customers.

### SUSPICIOUS ACTIVITY REPORTS

Another one of our recommendations relates to the filing of Suspicious Activity Reports (SARs). We are concerned that the steadily increasing volume of SARs is degrading their effectiveness. We request that the Agencies work with FinCEN to provide detailed guidance on when SARs should be filed and what documentation should be retained by banks. Until further clarity is achieved in this area, banks will continue to file SARs in record numbers so as to protect themselves from the severe penalties of potential noncompliance.

### ANNUAL AUDITS

A final area of concern is the interplay between the annual independent audit and reporting requirements enacted under the Federal Deposit Insurance Corporation Improvement Act (FDICIA) and the Sarbanes-Oxley Act of 2002. Many banks are subject to both sets of rules. To the extent possible, we ask the FDIC and the other Agencies to work in cooperation with the Securities and Exchange Commission to explore ways of streamlining the audit and attestation process.

Thank you for the opportunity to submit these comments.

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