

Robert J. May
President
Banterra Bank
[REDACTED]
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Mr. Robert Meiers, Attorney
Federal Deposit Insurance Corporation (FDIC)

Subject: Banterra Bank's Response to FDIC's Survey of the Costs of AML/CFT Compliance Reference:
OMB Number: 3064-NEW; Federal Register Citation: 90 FR 44191; FR Doc Number: 2025-17593

On behalf of Banterra Bank, I am pleased to respond to the FDIC's Survey of the Costs of Anti-Money Laundering/Counter-Terrorist Financing (AML/CFT) Compliance. We appreciate the opportunity to provide feedback and data on this important topic of the operational realities faced by a community bank.

This letter services to provide a comprehensive response to the survey's inquiries, detailing our methodology for estimating costs, while offering insights into potential enhancements to the collection process and strategies for minimizing the associated compliance burden on financial institutions. The requested data elements have been shared via a separate email.

Banterra maintains that a strong and effective compliance framework is essential for maintaining financial system integrity. We are committed to working with regulators to ensure compliance efforts are both effective and efficient. We believe the survey is a positive step toward understanding the challenges faced by community banks in managing compliance programs.

Our responses are based on our experiences as a community bank which has grown to more than \$3 billion in assets with more than 40 banking centers across six states.

Methodology and Operational Realities

1. **Direct Costs:** We focused on the survey's definition of "direct costs," including labor, technology systems, and third-party audits. Costs included estimated salary and benefit, software licensing, and third-party reviews costs.

Key Challenge-Isolating AML/CFT Costs: Assigned employees perform both fraud and BSA/AML/CFT activities while the technology used supports broader fraud prevention, detection, and compliance functions. We found it challenging to identify costs solely attributable to AML/CFT.

2. **Utility of Information and Compliance Burden:** We believe the data collected could be valuable in efforts to adjust regulatory obligations and support deregulatory proposals, where appropriate. It could also provide a clearer picture of the financial impact of AML/CFT regulations on community banks.

Minimizing Burden (Recommendations): To minimize burden, we recommend the FDIC:

- Develop clearer guidance on cost categories for more accurate reporting.
- Standardize specific collection points across all institutions.
- Provide a user-friendly standardized submission tool that allows for comparison to prior year information.

We appreciate the opportunity and welcome further collaboration with the FDIC and other stakeholders to ensure regulatory standards protect the financial system without impeding the vital work of community banks.

Respectfully,

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Robert J. May
Banterra Bank President