



*You can't be the best,
if you're only the same!*

October 30, 2024

James P. Sheesley,
Assistant Executive Secretary,
Attention: Comments/Legal OES (EGRPRA),
Federal Deposit Insurance Corporation,
550 17th Street NW,
Washington, DC 20429

RE: Regulatory Publication and Review Under the Economic Growth and Regulatory Paperwork Reduction Act of 1996; RIN 3064-ZA39

To Whom It May Concern,

This comment letter is from Oak Bank, 5951 McKee Road Ste 100, Fitchburg WI 53719. We are a one branch community bank located in Dane County, Wisconsin. We work with small businesses in the area along with consumers who live and work in the area. We are regulated by the Federal Deposit Insurance Corporation and our current asset size is \$460,000,000.00.

Thank you for following through on the review of these regulations. As the financial culture changes rapidly each year, review of regulations is important to aid financial institutions in their ability to help consumers in the best possible way and to establish fair competition between all financial entities.

The Office of the Comptroller of the Currency, Treasury; Board of Governors of the Federal Reserve System, and Federal Deposit Insurance Corporation (collectively, the agencies) are reviewing agency regulations pursuant to the requirements of the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPRA). Over approximately two years, the agencies will publish four Federal Register documents requesting comment on multiple categories of regulations. In this review, the agencies have requested comments on regulations in the categories of Consumer Protection; Directors, Officers, and Employees; and Money Laundering. Oak Bank submits the following comments to assist with the EGRPRA regulatory review process of evaluating regulations and to identify opportunities for burden reduction.

Consumer Protection

Consumer Protection regulations are very important in today's technological age. One of the biggest challenges that our financial institution has in this area is our clients understanding of the need for these rules. Another big challenge in this area is that technological changes are happening quickly, but the regulation changes are not. Flood insurance and the review of outdated flood maps are especially burdensome to the bank and our clients as an example. The client being required to provide a LOMA or LOMR because the flood map has not been updated in the last 15 years is costly and time consuming for them. In certain portions of the country this regulation is not as relevant as in other places and with the need to escrow for flood insurance this regulation is cumbersome in the time spent on it for community banks.

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We as a financial institution also feel that the Fair Credit Reporting Act and Fair and Accurate Credit Transactions Act could be simplified to make them more consumer friendly. The need for multiple disclosures that state similar verbiage are time consuming to produce. These disclosures, while providing relevant information, tend to be disregarded by the consumers and state common sense items that could be better provided in a simpler way. One item we would like to mention is that consumer reporting agencies should be limited in selling information to other third parties as a better way to limit identity theft. Consumers, after applying for a loan, are continually bombarded with other offers, often within 30 seconds of the request for a credit report. They waste their time verifying how their information was shared and ignoring the unwanted calls. If they were to put a hold on this type of sale of their information it can take up to 30 days which would hinder their being able to consummate their transaction. If this information selling could be limited it would be a benefit for the banking industry and the consumer.

When reviewing regulations within the category of "Consumer Protection," and in contemplation of any future rulemaking within this category Oak Bank urges the agencies to work together to ensure consistency in their approach. Oak Bank is committed to adhering to consumer protection regulations, and compliance is a priority. Through this review process, we encourage the agencies to consider steps to assist through streamlining, simplification, and true, impactful burden reduction.

Directors, Officers, and Employees

In review of the category of "Directors, Officers, and Employees," Regulation O needs review and significant revision, particularly with the aim of simplifying and streamlining the regulation. As currently written, Regulation O is overly complicated and difficult for banks to implement, and confusing for compliance staff to understand. Additionally, officers and directors of banks often find the rules bewildering and difficult to comply with.

In addition to overall restructuring and simplification of Regulation O, it's past due that the agencies revisit the loan limitation thresholds. For instance, the \$100,000 aggregate credit limit to an executive officer in Section 215.5 should be increased to \$250,000.00 to reflect the changes to the costs of living since the regulation was enacted.

Money Laundering

The banking industry strongly supports the goals of Bank Secrecy Act (BSA) compliance, and Oak Bank is committed to doing all it can to help combat financial crimes. However, the regulatory demand of these regulations has increased significantly over the years. We have 3 people involved in the process of creating CTRs and SARs. This does not include the tellers conducting the transactions for the clients. We are a one branch institution and use people to perform multiple tasks. Also, completion of CDD forms can be subjective from institution to institution, model forms provided by the agencies would help to establish a consistent approach for review. At this time, smaller institutions such as ours can not afford the high end review tools that other institutions use for these regulations so we are at a disadvantage competitively from the larger institutions as we do most of our analysis manually. Any changes to update BSA and Anti-Money Laundering regulations in ways that make them more efficient would not only relieve the banking industry of unnecessary burden, but also assist in more efficiently facilitating the purposes of the BSA. In particular, banks need to know that they will have the flexibility in order to tailor their policies and procedures effectively toward their customer base, level of operation, staffing, and products.

As a final specific example, Oak Bank strongly recommends raising the CTR and SAR thresholds. Our

CTR reporting has doubled in number in a four year time span from 2020-2023 even with the decrease our area has seen in the use of cash. With the increase of fraud transactions our SAR activity has tripled in that same time frame. The CTR threshold was set in 1970 and should be increased and continue to be re-evaluated with a calculation tied to inflation. Similarly, the current SAR threshold has remained unchanged since 1992 and should be increased. Not only do the current thresholds create burden due to overfilling, but it also lessens their value to law enforcement. The CTR threshold should be considered being moved to \$30,000.00. The SAR threshold should be considered to move from \$5,000.00 to \$10,000.00.

Conclusion

Oak Bank appreciates the opportunity to comment on the EGRPRA process and offer the above recommendations. Oak Bank hopes the agencies will continue to work with the industry to keep mounting costs and regulatory burdens in mind.

Once again, Oak Bank appreciates the opportunity to comment.

Respectfully,

Laura Smith

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