OREGON BANKERS ASSOCIATION
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Sent Via Electronic Delivery:

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Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
Attn: 1557-0081, FFIEC 031, 041, and 051
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regs.comments@federalreserve.gov
Robert DeV. Frierson, Secretary
Board of Governors of the Federal Reserve System
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Manual E. Cabeza, Counsel
Attn: Comments, Room MB-3105
Federal Deposit Insurance Corporation
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RE: FFIEC 031, FFIEC 041, and FFIEC 051 Call Reports Rulemaking

To Whom It May Concern,

On behalf of the Oregon Bankers Association ("OBA") and our membership of Oregon's state and national banks, we appreciate the opportunity to comment on the above-referenced proposed rules ("Rules") regarding reforms to the Call Report. While OBA appreciates the work of the OCC, the FDIC and the Federal Reserve (collectively the "Agencies") pertaining to the Call Report reform initiative, we believe the Rules do not go far enough to provide banks, and community banks in particular, with meaningful relief. The Agencies should expand upon the work done thus far to reduce the overall burden of filing the Call Report.

Over the years, the volume and complexity of bank regulation grows, and so too does the cost of compliance. The burden of regulatory compliance, including the ever-increasing resources a bank

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must allocate to this area, is one of the drivers of community bank consolidation. In addition, we can identify several banks in Oregon that have stopped offering certain products and services due to regulatory burden, which only serves to decrease the local financial service offerings for Oregonians and Oregon businesses.

Call Reports are one example of where regulation has grown in size, complexity and cost over time. The strain it puts on a bank's resources is very real, especially related to key bank personnel. The Independent Community Bankers of America reports that the annual cost of preparing a Call Report has increased by 86 percent over the last ten years. In their survey, 73 percent of respondents indicated that Call Report preparation has increased significantly. The survey also found that 98 percent of respondents favored a short-form Call Report as a reasonable way to reducing regulatory burden.

Call Report reform is certainly a tangible effort that regulators can undertake to lessen the compliance burden on community banks. That effort, however, must result in real relief. The Agencies proposal for a separate report for smaller institutions is well intentioned but not that meaningful a change for most institutions. For example, removing data points or schedules for activities only applicable to the largest banks – such as securitization activities, loans to foreign government, and venture capital income – does not amount to meaningful reform for community banks.

The Agencies should garner additional input from the banking industry and propose further reforms that truly reduce the size, complexity and frequency of filing the Call Report. Such changes would provide meaningful relief to community banks while still providing Agencies the information necessary to oversee the activities of their supervised institutions.

Conclusion

The proposed Rules, simply put, do not amount to meaningful Call Report relief. In an era in which banks, and community banks in particular, are struggling with ever-increasing regulatory burden, meaningful Call Report relief is more important than ever. The Agencies should revisit the issue while it is still pending to assure tangible relief for community banks. The Oregon Bankers Association and the banks we serve would be happy to engage in further discussion about the Rules or other potential changes to the Call Report.

Thank you for the opportunity to comment on the Rules. If you have any questions, please feel free to contact me.

Very best regards,

Linda M Navarro

Linda Navarro
President & CEO

Oregon Bankers Association & Independent Community Banks of Oregon