

From: [Steve Mack](#)
To: [Comments](#)
Subject: Reforms to Call Report Format for Community Banks
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I appreciate the opportunity to provide comments on the call report changes recently proposed by the Federal Financial Institutions Examination Council (FFIEC). Initially I was greatly encouraged about the move toward implementing the so-called short-form call report to be filed in the first and third quarters of each year. While I commend the FFIEC for proposing a separate report for smaller, non-complex financial institutions, the proposal falls short for providing meaningful paper-work and labor relief for community banks.

The call report, in its current form, is indicative of huge regulatory burden for my bank and the entire community banking industry. The ever-growing reporting burden that the CFO and his staff in Texas Heritage Bank are forced to undertake every quarter strains critical personnel and forces management to divert our limited resources to bureaucratic, and frankly – unnecessary, paperwork. An-depth ICBA survey found that the annual cost of preparing the call report has increased for 86% of respondents over a ten-year period, with the total hours dedicated to preparation increasing significantly for 73% of respondents. These statistics are in line with what we have experienced.

Unfortunately, this proposal clearly fails to address the reporting burden and achieve an effective solution. Simply reducing the number of pages by removing data points for activities only applicable to the largest banks does nothing to fix the problem. And removing data collection schedules that are generally not applicable to community banks, such as securitization activities, loans to foreign governments, venture capital income, credit derivatives, trading activities, and other non-existing lines of business may have reduced the number of pages, but it does nothing to remove the burden of preparing the report. Without meaningful reduction in the number and detail of call report schedules and the frequency of reporting, community banks are no better off than they were before this two-year FFIEC review began.

Please consider implementing the reporting changes advocated by the community banking industry. A short-form call report available to well-capitalized and highly-rated community banks both large and small in the first and third quarters of each year to include the balance sheet, income statement, and change in capital schedules, without all of the supplemental schedules, would provide regulators with the necessary information required to make informed decisions about the safety and soundness of a community bank. Regulators would continue to receive prudent levels of community bank data key to making policy decisions since the number of business days between semi-annual reports is not enough to pose any risk to the national or global economy.

Thank you for providing me the opportunity to express my concerns with the proposed FFIEC call report changes.

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