United States Senate

WASHINGTON, DC 20510

December 20, 2018

Jerome H. Powell
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Ave, NW
Washington, DC 20551

Jelena McWilliams
Chairman
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Joseph M. Otting
Comptroller of the Currency
Office of the Comptroller of the Currency
400 7th Street, SW
Washington, DC 20219

Dear Chairman Powell, Chairman McWilliams, and Comptroller Otting:

We write today regarding the proposed rulemaking on reduced reporting for covered depository institutions. Section 205 of the *Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018* (S. 2155), entitled "Short Form Call Reports," requires the regulators to promulgate rules resulting in reduced reporting requirements for eligible community banks for the first and third quarters of each year.

A key purpose of S. 2155 is to provide community banks with tangible regulatory relief. Specifically, the onerous reporting requirements in the current call reporting process require hundreds of hours of data aggregation every 90 days and divert valuable human and financial community bank resources away from the economic growth this legislation is intended to stimulate. The reduced reporting provisions in this law were purposefully designed to provide for a short form call report that allows community banks to publish key financial statements twice a year without such exhaustive supplemental schedules. The financial statements of well-capitalized and well-managed community banks do not change dramatically every 90 days (approximately 64 business days) and do not justify requiring the detailed and meticulous schedules supporting the balance sheet and income statements every quarter.

We respectfully urge you to revisit the notice of proposed rulemaking for implementation of Section 205 to provide more significant call report relief for eligible community banks. Although the proposal purports to remove a large number of data items, most of these items are often already reported as "not applicable," such as reporting on fiduciary assets or troubled debt restructurings. For the typical well-capitalized and well-managed community bank, this proposal would have little or no impact on lessening the reporting burden to the degree intended by Congress. By your calculations, banks with less than $1 billion in assets would save only an average of 1.18 hours or about 71 minutes each quarter.

As you know, community banks are an integral part of communities across the country from lending for homes, small businesses and farms, to sponsoring little league baseball teams and the school band. In many cases, these banks are family-owned businesses that have been in existence for generations with little to no losses. The increased regulatory burden on these institutions has grown to the point that consolidation within the community banking industry has reached unprecedented levels.

Thus, we request a significant reduction in the reporting burden for community banks in the first and third quarters while continuing to receive the robust reports of condition and complete financial statements already being provided during the second and fourth quarters.

Thank you in advance for consideration of this request as you craft the final rulemaking to implement Section 205 of S. 2155.

Sincerely,

[redacted]

Jerry Moran
United States Senator

[redacted]

Mike Crapo
United States Senator

[redacted]

Thom Tillis
United States Senator

[redacted]

Pat Toomey
United States Senator

[redacted]

John Kennedy
United States Senator

[redacted]

Joni K. Ernst
United States Senator

[redacted]

Tom Cotton
United States Senator

[redacted]

Johnny Isakson
United States Senator

[redacted]

David Perdue
United States Senator

[redacted]

Mike Enzi
United States Senator

[redacted]

Shelley Moore Capito
United States Senator

[redacted]

M. Michael Rounds
United States Senator

[redacted]

John Thune
United States Senator

[redacted]

James M. Inhofe
United States Senator

[redacted]

Lisa Murkowski
United States Senator

[redacted]

James E. Risch
United States Senator

[redacted]

John Barrasso, MD
United States Senator

[redacted]

Joe Manchin III
United States Senator

[redacted]

John Boozman
United States Senator