

**Congress of the United States**  
**Washington, DC 20515**

December 21, 2018

The Honorable Jelena McWilliams  
Chairman  
Federal Financial Institutions Examination Council & Federal Deposit Insurance Corporation  
550 17th Street, NW  
Washington, DC 20429

Dear Chairman McWilliams:

We are writing today about your proposed rulemaking on reduced reporting for covered depository institutions. Congress passed, and the President signed the *Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018* (S. 2155) on May 24, 2018, which included a provision entitled “Short Form Call Reports” requiring the regulators to promulgate rules resulting in a reduced reporting requirement for eligible community banks for the first and third quarters of every year. Additionally, on March 6, 2018, as a testament of its broad, bipartisan support in Congress, when this provision in S. 2155 passed the House of Representatives as a standalone bill – H.R. 4725, the Community Bank Report Relief Act - it received unanimous support.

Congress passed this important legislation in part to provide community banks with tangible regulatory relief. Specifically, specified in statute was relief from the onerous reporting requirements in the current call reporting process that requires hundreds of hours of data aggregation by community banks every 90 days, wasting the valuable human and financial community bank resources necessary to stimulate the economic growth that S. 2155 was meant to incent. The reduced reporting provisions in this law were specifically designed to provide for a short form call report that would allow community banks to publish key financial statements (balance sheet, income statement, and statement of changes in shareholders’ equity) twice a year, without the exhaustive supplemental schedules that are currently required four times per year. The financial statements of well-managed and capitalized community banks do not change dramatically every 90 days (approximately 64 business days), and do not justify the detailed and meticulous schedules supporting the balance sheet and income statements.

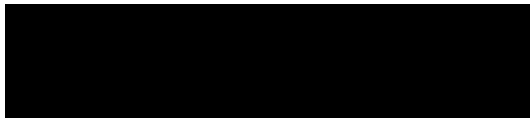
We believe the proposed rulemaking recently published for comment does not meet congressional intent for providing call report relief. Although the proposal purports to remove a large number of data items, most of these reporting items are data fields that many community banks currently report as “not applicable” to their operations, 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 and would not reduce the call report burden as intended by Congress. This is further evidence that, by your own calculations, banks with less than \$1 billion in assets would only save an average 1.18 hours or 78 minutes every quarter.

As you know, community banks are well managed, and well capitalized, providers of important banking services for the underbanked in rural, urban, and impoverished areas across the country. In many cases, community banks are family-owned businesses that have been in existence for generations with little or no losses, all while helping their customers achieve the American dream. The regulatory burden on these institutions has grown over the years to the point that consolidation with the community banking industry is unprecedented.

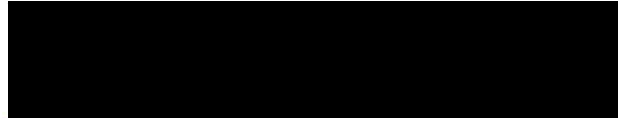
We respectfully request that the Congressional intent embodied in S. 2155 be followed by providing meaningful call report relief for community banks through the elimination of the time-consuming and unnecessary schedules in the first and third quarters. Your banking agencies will continue to receive the robust and complete financial statements that are already being provided to you during the second and fourth quarters.

Thank you in advance for taking our views into consideration as you craft the final rulemaking.

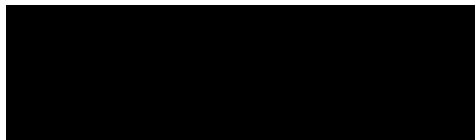
Sincerely,



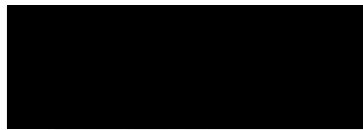
Andy Barr  
Chairman  
Subcommittee on Monetary Policy  
and Trade Subcommittee



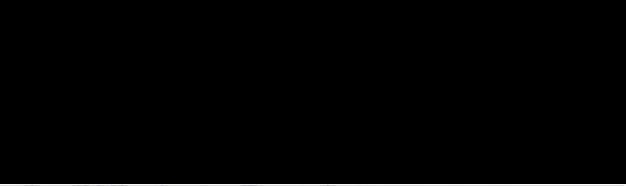
Blaine Luetkemeyer  
Chairman  
Subcommittee on Financial Institutions  
and Consumer Credit



Bill Huizenga  
Chairman  
Subcommittee on Capital Markets  
Securities, and Investments



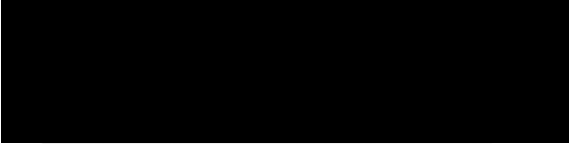
Steve Pearce  
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Subcommittee on Terrorism and Illicit  
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Chairman  
Subcommittee on Oversight and  
Investigation



Sean Duffy  
Chairman  
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CC:

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Jerome H. Powell, Chairman, Board of Governors of the Federal Reserve System

Randal K. Quarles, Member and Vice Chairman for Supervision, Board of Governors of the Federal Reserve System

Greg Gonzales, Commissioner, Tennessee Department of Financial Institutions

Joseph M. Otting, Comptroller of the Currency

Cady Coddling, Chairman of the FFIEC Task Force on Reports

John Ryan, President & CEO, Conference of State Bank Supervisors

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