From: Dianne Hamm <DHamm@bankoffloyd.com> on 04/28/2005 04:20:59 PM

Subject: EGRPRA

Thank you for the opportunity to comment on ways to reduce regulatory burden relating to the Money Laundering rules.

Currency Transaction Reports and Sale of Negotiable Instruments

We feel that the reporting threshold should be raised for $10,000 to at least $20-25,000. The $10,000 limit has not been revised even for inflation or cost of living since the regulations were implemented. In today's economy $10,000 in not a significant amount of cash. The same holds true for the $3,000 to $10,000 limits for retaining information on the sale of negotiable instruments. This should be raised to at least $10-15,000. These thresholds should be revisited on an annual or a periodic basis. These increases will allow the government and banks to concentration on the more significant transactions and keep the system from being cluttered with unnecessary reports that keeps the important reports from being investigated in a timely manner. From what we see, we do not believe that the government is pursuing the smaller transactions that are being reported now.

Patriot Act and Suspicious Activity Monitoring

We believe that the extensive documentation and monitoring that we are being told by our regulators that is required for proof that we are monitoring our customer base for suspicious activity is unnecessary overkill. We have been told that we will have to assign risk ratings to all our accounts and document our rating and reason for the rating. We are a community bank and feel we have a good gripe on our customer base. However, if we do not provide this extensive documentation on all our accounts we will be facing a cease and desist order. We are facing the need to purchase expensive computer software to monitor the activities of our customers. The software necessary to do the job required has a base price of $68,000. It is already necessary in small institutions in low risk areas to devote at least one full time person just to BSA compliance and that needs to be a senior level officer. The regulators are even requiring documentation on SARs that are not filed. Banks are compelled to file SARs on the slightest indication of suspicious behavior because regulators question us if we have not filed "enough" SARs. Even when we file we rarely hear anything making us wonder if the activity we report is actually investigated or if all the reporting is just wasted time by the Bank and FinCen.

In Summary

All banks are concerned with dealing with reputable customers to cut their risks. We began requiring credit reports previous to the Patriot Act to help limit fraud and bad checks on deposit accounts. We have found this very effective and think it is an efficient ID method. We should not be expected to act as policemen at great expense to our stockholders and without compensation. We should not be held to "0" tolerance which is an impossibility. We should not be threatened with severe penalties for minor infractions when we are trying to do what is required of us. This only leads to extensive reporting out of fear of retribution from regulators and is a hindrance to the real purpose of the regulation. Can the costs the banks incur from reporting and tracking time and the reporting burden be justified in relation to the criminal element that is stopped?

We implore you to grant us some relief in this area!

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