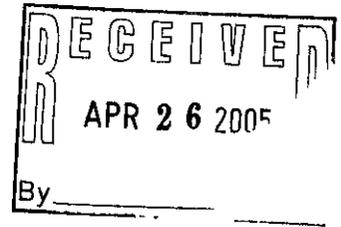




Handwritten initials 'X 157' in the top left area.

April 19, 2005

Mr. Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429



RE: EGRPRA Burden Reduction Comments

Dear Mr. Feldman:

This is in response to the FDIC's request for comments regarding money laundering. ISB Community Bank is a state chartered \$270 million rural bank in southeast Wisconsin. The bank operates from six locations with approximately seventy full-time equivalent employees. This letter is intended to offer comments about the increased emphasis on the Bank Secrecy Act (BSA) and anti-money laundering (AML).

Thank you for seeking comments on the subject. While we support the goals of the BSA and recognize the significant value these rules provide in the fight against the financing of terrorism, we also feel there is an undo burden on community banks. Last fall, in an effort to meet the increased regulatory requirements, we added to staff at a cost of approximately \$50,000. Do we have a better program now? Yes, we do. Is it worth the additional expense? No, it's not. The system is getting bogged down by the volume of transaction and by reports and the quality of the information is being diluted.

Due to the low threshold for CTR filing and the increased frequency of transactions in excess of the threshold, we get bogged down with the volume of transactions rather than actually studying content of the transaction. I would imagine that the agencies are in the same situation. The \$10,000 threshold was established with the Act in 1979. Given inflationary pressures alone, the amount, if established today, would now be closer to \$25,000. The low threshold also increases the SAR filings because transactions just under \$10,000 could be interpreted as being "structured." We end up filing even more SARs as a defensive measure. It is documented that a small percentage of the SAR filings receive follow up by agencies, so the system is getting bogged down by paperwork. Can't we improve the quality of the filings and reduce the quantity by, at a minimum, increasing the threshold?

April 19, 2005
Page 2

ISB Community Bank appreciates the opportunity to comment and make recommendations. Please consider amendments to the regulation to relieve the financial and reporting burden on community banks. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffery P. Knudtson". The signature is written in a cursive, flowing style.

Jeffery P. Knudtson
Executive Vice President