

From: Rob Stephens
Sent: Tuesday, August 25, 2009 12:16 PM
To: Comments
Subject: Consolidated Reports of Condition

Interest Expense and Quarterly Averages for Brokered Deposits: The discussion for this addition to the call report refers to monitoring interest paid compared to market rates. Most brokered funds are CDs. The interest rate paid on a CD portfolio means little unless you know both the term of the CD and the origination date. My fear is that monitoring rate alone will encourage banks to shorten terms on brokered CDs to lower their rates. This will increase both the liquidity and interest rate risk for brokered CDs. The risks of brokered CDs may best be monitored by examination like they are now.

Reporting Frequency for Loans to Small Businesses and Small Farms: Changing this disclosure in its present form from annually to monthly will be quite burdensome at some banks. From personal experience and from talking to others, this information is easy to gather for some banks and very difficult to gather for other banks. Most small banks rely on canned reports from their core processor for this data and some core processors do not readily report this information. Part of the complexity of the report is the multiple dollar categories based on original amounts and then reported at current amounts outstanding. If moved to quarterly, a more streamlined data request would be required to not be greatly burdensome on small banks.