
From: Andrew Kloeckner [AKloeckner@mbvt.com]
Sent: Tuesday, April 12, 2011 1:29 PM
To: Comments
Subject: Proposed Rule - Rin 3064-AD37

Thank you for the opportunity to comment on this proposed rule. Merchants Bank, as do most others, take its responsibility of educating customers very seriously. Our customer contact staff is trained on FDIC insurance coverage through our on-line training courses and through in person training with their branch manager each year. Through this training, our staff has solid knowledge of deposit insurance coverage. If a question arises beyond a staff member's comfort level with answering, I am the contact person to provide additional information. We have a system that works well.

Merchants Bank already has a link to EDIE on its website and encourages customers to use this tool. The expense of requiring a dedicated computer in each branch lobby solely to access EDIE is unwarranted and excessively burdensome.

The rule for requiring a staff employee to make a determination about a customer's deposit insurance coverage would be beyond the level of knowledge and liability to which a bank employee and its employer should be subject. As only one example, an employee is not a legal expert in reading and interpreting trust documents. The employee would not and should not be required to determine whether the terms under which a beneficiary receives money are 'qualifying' under the rules. Moreover, many customers choose to provide only a certificate of trust which provides insufficient information for anyone to make a deposit insurance determination. For years, there was material on the FDIC website for attorneys who constructed trust documents so that they could explain to their customer whether deposited funds owned by their trust were covered by FDIC insurance. Bank staff should not under any circumstances be required to render such an opinion. There are many other reasons and situations where placing the burden of deposit insurance calculation on a bank and its employees is not appropriate.

Lastly, the entire crux of this rule can be summed up by my answer to the following section from the proposed rule.

II. Regulatory Burden on Insured Depository Institutions

The FDIC believes the implementation of this rule would not impose a significant regulatory burden on the industry. The proposed rule is circumscribed and modest in its requirements.

The FDIC has, in this instance, lost sight of and concern for what is burdensome to the banking industry. This rule is NOT modest or circumscribed in its requirements in that it will create a significant additional burden of record keeping and, as one other commenter noted, another source of 'gotcha' for an examiner. This rule is not in keeping with the executive order of the President of the United States from January 18th with regard to Improving Regulation and Regulatory Review.

Banks should make the EDIE site available through their websites. Banks should hand customers an FDIC insurance brochure when requested or when a knowledgeable employee feels it is appropriate. Bank employees should be able to refer a customer to a more knowledgeable staff member in their institution or to reference material at the FDIC. Banks should NOT be subject to yet another burdensome, bureaucratic rule that further impedes the industry's ability to efficiently provide financial services.

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