May 22, 2006

Public Information Room
Office of the Comptroller of the Currency
250 E Street, SW, Mailstop 1-5
Washington, DC 20219
Attention: 1557-0081

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve
20th Street and Constitution Avenue, NW
Washington, DC 20551
Re: Consolidated Reports of Condition and Income, 7100-0036

Steven F. Hanft, Paperwork Clearing Officer
Room MB-3064
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
Re: Consolidated Reports of Condition and Income, 3064-0052

Dear Sir or Madam:

The Independent Community Bankers of America (ICBA)[1] appreciates the opportunity to offer comments on the Notice, Effect of the Federal Deposit Insurance Reform Act on the Consolidated Reports of Condition and Income (Call Reports).

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[1] *The Independent Community Bankers of America represents the largest constituency of community banks of all sizes and charter types in the nation, and is dedicated exclusively to representing the interests of the community banking industry. ICBA aggregates the power of its members to provide a voice for community banking interests in Washington, resources to enhance community bank education and marketability, and profitability options to help community banks compete in an ever-changing marketplace.*

With nearly 5,000 members, representing more than 18,000 locations nationwide and employing over 265,000 Americans, ICBA members hold more than $876 billion in assets $692 billion in deposits, and more than $589 billion in loans to consumers, small businesses and the agricultural community. For more information, visit ICBA's website at www.icba.org.

Background

In February, Congress passed the Federal Deposit Insurance Reform Act which increased deposit insurance for certain retirement accounts. In response, the banking agencies are proposing to change reporting on Call Reports to reflect the increase. The Act increased the deposit insurance limit for certain retirement plan deposit accounts from $100,000 to $250,000. The insurance limit for other depositors—individuals, joint accountholders, businesses, government entities, and trusts—remains at $100,000.

Currently, banks report the number and amount of deposit accounts of (a) $100,000 or less and (b) more than $100,000 in Call Report Schedule RC-O, Memorandum items 1.a. (1) through 1.b.(2). This information provides the basis for calculating "simple estimates" of the amount of insured and uninsured deposits and is the only information reported by banks with less than $1 billion in assets related to these deposits.

In response to the increase in deposit insurance for retirement accounts, the agencies are proposing a few items be added to the Call Report in schedule RC-O, the insurance assessment schedule. The changes would be effective for the June 30, 2006 Call Report. As revised, Memorandum item 1 would include items 1.a.(1) through 1.d.(2). The additional items would include the number and amount of retirement deposit accounts of (c) $250,000 or less and (d) more than $250,000.

The agencies estimate that these changes will increase, on average, Call Report preparation by about 30 minutes per year. For the June 30, 2006 report only, the agencies state that banks are allowed to provide reasonable estimates for any new or revised item if the requested information is hard to obtain.

Summary of ICBA Position

In general, the added requirements are not overly burdensome, but will increase the time spent on Call Report preparation for community banks. However, the ability to estimate these accounts for the June 30, 2006 report is helpful. Community bankers believe it will take time to initially set up reports and make necessary systems changes. Bankers estimate an ongoing twenty to thirty minutes per quarter.

General Comments

Some community bankers tell ICBA that the proposed changes will be very easily implemented, while others state it will take time to write the reports necessary to implement the changes. The banks that need additional time state they require special reports to break retirement accounts out by number and dollar amount. Or, service providers will need to write a report, typically because bank systems do not generate the necessary retirement account totals.

While the proposed changes are not overly burdensome, they may take longer to implement than the thirty minutes per year the agencies estimate. Community bankers say that to make necessary changes to their systems and records will take up to four hours initially. After an implementation period, bankers agree the additional time per quarter will be approximately twenty to thirty minutes.

Most community bankers agree that the ability to estimate the requested amounts for the June 30, 2006 Call Report is helpful because it gives them more leeway to obtain the appropriate reports and prepare the information requested. It will save time in preparing the Call Report for this quarter. ICBA thanks the agencies for this option.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact the undersigned by phone at 202-659-8111 or email at katie.bragan@icba.org.

Sincerely,

Katie Bragan

Katherine E. Bragan
Associate Director,
Lending and Accounting Policy