
From: Edward L McKeever

Sent: Friday, September 15, 2006 5:58 PM

To: Comments

Subject: Identity Theft Red Flags and Address Discrepancies Under FACTA - 12 CFR Parts 334 and 364

September 15, 2006

To Whom It May Concern:

The management of First Savings Bank of Perkasio would like to thank you for the opportunity to comment on the Identity Theft Red Flag Guidelines.

Rather than submitting our comments that restate opinions that have been expressed efficiently by others, we request that you give strong consideration to the comment letters submitted by the ACB (America's Community Bankers) and by the ABA (American Bankers Association). To place emphasis on the areas of our greatest concerns, it is our opinion that;

- The proposal underestimates the regulatory burden placed upon financial institutions. We cannot provide a detailed estimate, however, the 39 hours annually is quite low.
- The requirements of the proposal overlap the requirements of the other regulations. Customer Information Program and GLB Information Security requirements already mandate policies and procedures be in place to combat Identity Theft. We are concerned that the proposals may create duplication of effort and require excessive investments by the bank to develop and implement additional systems. We believe the additional requirements of the regulation and the benefits incurred would not outweigh the additional cost to the bank.
- The proposal states that an institution must, at minimum, consider all Red Flags listed in Appendix J. Red Flag #18, for instance, places excessive requirements on the institution to monitor the types of purchases made by a customer. This would only be possible through the use of sophisticated software programs assuming they are available for variety of core processing systems used by financial institutions. The costs would surely outweigh the benefits. We request that institutions should only have to include in any required program those Red Flags identified by a risk assessment as being cost effective and efficient in deterring Identity Theft.

Respectfully yours,

Edward L. McKeever

VP – Compliance

First Savings Bank of Perkasio
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