Public Comments on Agency Information Collection Activities; Proposals, Submissions, and Approvals:

Title: Agency Information Collection Activities; Proposals, Submissions, and Approvals

FR Document Number: 2016-19268

Publish Date: 8/15/2016 12:00:00 AM

Submitter Info:

First Name: Eric

Last Name: Marsh

Comment: With regard to FR Number 2016-19268, FDIC-2016-0157-0001, AKA OMB Control No:3064-0052, I would like to comment on the restructuring of the Call Report.

I am the CFO at StonehamBank, a state chartered, mutual co-operative bank with $560 million in assets and an employment level of approximately 85 FTE's.

Many of my comments are the same as I submitted previously, as published on 09/18/2015.

First: With regard to Call Report preparation, the average time recognized 43.89 hours is still puzzling. This average time is supposed to include data gathering, instruction review, and review of the call report after completion?

It isn't anywhere close. It takes a skilled, experienced person close to 40 hours just to prepare the Call Report. I have considered the last year's call report filings and there is easily an additional 10 hours per call report for instruction review, data collection and subsequent report review before filing. Some quarters that number is substantially higher such as when there are significant changes, such as the start of Risk Based Capital reporting.

Second: With regard to how much lead time is required to implement changes to the Call Report, many changes need to flow through a bank's core provider and also the data management area of impacted department(s) to make certain the reporting is available and correct. The instructions need to be available and understood before this process starts so the required changes can be flowing through a Banks system at the start of the quarter the changes are to be applied. So, it can easily be 6 months before the start of a quarter that final changes would need to be available to be properly implemented and reviewed. It seems the last couple of years changes are late and being applied during the quarter the changes are required.

Third: There were many comments in the summary as to how much of the data in the Call Report is useful for making monetary policy and isn't available in any other form. Deposit information is filed annually in the FDIC Deposit Survey. Additional memo detail could be provided there to alleviate the continuous, quarterly burden. Then there is the Federal Reserve Form 2900 that is filed throughout the year This has a significant amount of deposit data that is supposed to be for helping control the supply of money and monetary policy. Is this not shared between bank oversight agencies?

Loan data is filed at the federal level with places such as the FHLB banks and Federal Reserve Discount Window, in detail, in order for banks to post collateral to obtain credit. This is usually an automated process with data standards applied to core processors to make supplying the data quick and easy. Could this same data not be shared. This brings to light the question of data standards and duplication of data and efforts overall. Could there be standardized reporting established for core processors to follow and the same data submission could be automated for all bank reporting at any federal level?

It was also mentioned how the Call Reports help with on-site bank examinations. The size of the data requests required to be submitted by a bank for an examination are so massive it makes the Call Reports submission seem irrelevant with regard to providing current, relevant data.

Also, much of the memo data requested, such as the RC-C memo data for small businesses and agriculture referenced in the summary, came about in 2010. How was monetary policy set before 2010? The data, or loans, related to this specific schedule existed before 2010 and does not represent an area of the economy that contributed to the 2008-2009 economic collapse. Neither does this data provide anywhere near a complete picture of small business or agricultural lending activities when considering generic small business borrowing on personal credit cards, vendor financing options, and other agency small business lending.

Neither does the RC-C memo data provide any reason for changes in volume such as policy changes at banks in response to increased capital requirements. The data in and of itself is very limited with regard to use and substantial meaning.

Fourth: While the changes that are being made is a start, I must reiterate that full and proper application of risk based examination would also reflect where the real risks exist. The collective risk to the banking system by all banks combined under $1 billion in asset size does not put excess risk on the U.S. Banking System.

It can be reasonably argued that a large number of small banks spread across the country allows for diversification of many risks.

Can it not also be argued that a single federal bank regulatory body with separate divisions such as examination, insurance, and reporting would more effectively and efficiently measure and manage the country's banking risks?

Respectfully submitted,

Eric Marsh, EVP, Treasurer & CFO