



INDIANA BANKERS™
ASSOCIATION

October 12, 2016

RE: Federal Financial Institutions Examination Council Call Report Reform

Dear Chairman Gruenberg:

Thank you for the opportunity to provide comments on the call report changes that were recently proposed by the Federal Financial Institutions Examination Council (FFIEC). As the voice of Indiana's banks, we commend the FFIEC for proposing a separate report for smaller financial institutions; however, the proposal falls woefully short of providing meaningful relief for community banks.

The call report continues to represent a huge regulatory burden for community banks. The ever-growing reporting burden for community banks means that banks must hire non-revenue generating employees to comply with onerous regulatory paperwork. Currently, call report preparers study around 600 pages of instructions before their submitting quarterly reports. According to a recent survey, the annual cost of call report preparation has increased for 86% of respondents over a ten-year period, with the total hours dedicated to preparation increasing significantly for 73% of respondents. The study also noted that 98% of respondents favored the short-form call report as the answer to reducing regulatory burden.

Simply reducing the number of pages in the call report by removing data points does not fix the problem. Removing data collection schedules that are generally not applicable to many banks, such as: securitization activities, loans to foreign governments, venture capital income, credit derivatives, trading activities, and other non-existing lines of business may have reduced the number of pages, but it does nothing to remove the burden of preparing the report. Without meaningful reduction in the number and detail of call report schedules and the frequency of reporting, community banks are no better off than they were before this two-year FFIEC review began.

A simple, short-form call report available for well-capitalized and highly-rated community banks in the first and third quarters of each year would provide regulators with the necessary information required to make informed decisions about the safety and soundness of a community bank. This shortened call report would include the balance sheet, income statement, and change in capital schedules, without all of the supplemental schedules. Thank you for providing us the opportunity to express our concerns with the proposed FFIEC call report changes.

Sincerely,

S. Joe DeHaven
Chief Executive Officer
Indiana Bankers Association
jdehaven@indianabankers.org

Amber Van Til
President
Indiana Bankers Association
avantil@indianabankers.org

6925 Parkdale Place, Indianapolis, IN 46254
phone 317.387.9380 fax 317.387.9374 indianabankers.org

"Every man owes a part of his time and money to the business or industry in which he is engaged.
No man has a moral right to withhold his support from an organization that is striving to improve conditions within his sphere."
— President Theodore Roosevelt, 1908