

THE FINANCIAL SERVICES ROUNDTABLE

Financing America's Economy



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Office of the Comptroller of the Currency
250 E. Street, SW.
Washington D.C., 20219

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street & Constitution Avenue, N.W.
Washington, D.C. 20551

Gary A. Kuiper
Federal Deposit Insurance Corporation
550 17th Street, NW.
Washington D.C., 20429

Office of Thrift Supervision
1700 G Street, NW.
Washington, DC 20552

Re: Proposed Agency Information Collection Activities; Comment Request

File Number: FR Doc. 2011-2779

Dear Madams and Sirs:

The Financial Services Roundtable (the "Roundtable")¹ appreciates the opportunity to provide the Board of Governors of the Federal Reserve System (the "Board"), the Office of the Comptroller of the Currency (the "OCC"), the Office of Thrift Supervision (the "OTS") and the Federal Deposit Insurance Corporation (the "FDIC") (together, the "Agencies") with its comments on the Joint Notice and Request for Comment (the "Savings Association Notice") that would require savings associations currently filing the Thrift Financial Report ("TFR") to convert to filing the Consolidated Reports of Condition and Income (the "Call Report"), as published in the Federal Register on February 8, 2011.²

In the Savings Association Notice, the Agencies, under the auspices of the Federal Financial Institutions Examination Council (the "FFIEC"), jointly propose to require

¹ The Roundtable represents 100 of the largest integrated financial services companies providing banking, insurance, and investment products and services to the American consumer. Member companies participate through the Chief Executive Officer and other senior executives nominated by the CEO. Roundtable member companies provide fuel for America's economic engine, accounting directly for \$92.7 trillion in managed assets, \$1.2 trillion in revenue, and 2.3 million jobs.

² 76 Fed. Reg. 7082 (February 8, 2011).

savings associations currently filing the TFR to convert to file the Call Report, beginning with the reporting period ending on March 31, 2012. The Savings Association Notice follows a 2007 OTS Advance Notice of Proposed Rulemaking³ regarding a possible conversation from the TFR to the Call Report.

The Roundtable requests that the Agencies extend the deadline for required conversion from the reporting period ending March 31, 2012 to at the earliest the reporting period ending March 31, 2013. There are several reasons for this request. First, in the Savings Association Notice, the Agencies contemplate that the average compliance burden that will be incurred when converting from the TFR to the Call Report will be 188 hours per savings association.⁴ The Roundtable believes that the conversion process will involve significantly more burden than the estimate of 188 burden hours for the first year to convert systems and conduct training. As a general matter, the Roundtable believes the burden for all institutions will be greater than the estimates reflected in the Savings Associations Notice. Moreover, the Roundtable believes that the burden will vary significantly among institutions, depending upon their size and complexity. Although we appreciate that the OTS's TFR to Call Report mapping release⁵ (the "Mapping Release") is intended to assist in the conversion process, we believe that the mapping itself indicates the complexity of the processes that savings association will face in the conversion. For example, while the Mapping Release indicates that there are some items where there is a one-to-one match between the TFR data item and the Call Report data item, the Mapping Release also indicates that there are many items for which there is no one-to-one match. The Mapping Release also recognizes that not all TFR data items have a Call Report equivalent, and most significantly, that there are many Call Report data items not collected on the TFR. This means that the savings associations will have to create new information systems in order to collect the data (in many instances, sub-ledger data) that is required for the Call Report forms. Certain of this information may only be attainable in the short term through the use of manual processes. Ultimately, significant time will be required to develop, test and implement fully automated systems that can reliably provide this information.

Second, because of the low percentage of TFR line items with corresponding entries in the Call Report, savings associations and third-party service providers will need to undertake significant efforts to create the management information systems that can convert savings association data with no corresponding Call Report line item. In fact, there are only a limited number of service providers with the ability and infrastructure to assist a large numbers of savings associations in the conversion process. Given that 741 savings associations will be required to undertake the conversion process effort nearly simultaneously, the limited number of third-party service providers available to assist will quickly be overwhelmed by the demand for their services. The disproportionate demand

³ 72 Fed. Reg. 64003 (November 14, 2007).

⁴ See 76 Fed. Reg. at 7083.

⁵ See OTS, *Mapping Thrift Financial Report Line Items to the Call Report* (February 15, 2011), available at http://www.ffiec.gov/ffiec_report_forms.htm.

for the services of the third-party services providers has the potential to create shortages of the services necessary to complete the Call Report conversion efficiently, making it that much more difficult for the savings associations to complete the conversion by the March 31, 2012 deadline.

Finally, in order to facilitate savings associations' conversion from the TFR to the Call Report, an extension will allow savings associations, and the third-party services providers that are integral to the conversion process, to cope with the burden of building and implementing the information and audit systems necessary to support the Call Report filing. The Roundtable notes that a recent notice of intent issued by the Board would require savings and loan holding companies ("SLHCs") to begin filing bank holding company reports by March 31, 2012.⁶ This is a very significant additional burden that would be imposed on SLHCs at the same time as their savings association subsidiaries are facing the burden of converting to the Call Report filing requirement. In a separate letter, the Roundtable is requesting an extension of the proposed new SLHC reporting requirements until at least March 31, 2013. However, even with the extension, this would mean there would still be two new filing requirements. To ease the transition, the Roundtable suggests that individual savings associations be permitted to convert to the Call Report, if they are able, before the March 31, 2013 conversion date. Allowing for early conversion where an individual savings association is able would reduce the compliance burden for SLHCs that would otherwise be forced to undertake a simultaneous conversion of their reporting systems at both the holding company and savings association level. Finally, the Roundtable encourages the Agencies to maintain historical databases of TFR legacy data after conversion to Call Report filing is complete. Maintaining a historical database will help Agencies to better understand how their supervision of savings associations will be affected by the conversion from the TFR to the Call Report, an understanding that should help the Agencies fulfill their supervisory mandates.

The Roundtable thanks the Agencies for the opportunity to comment. If you have any questions, please feel free to contact me or Brian Tate at (202) 289-4322.

Sincerely,

Richard M. Whiting

Richard Whiting
Executive Director and General Counsel

⁶ 76 Fed. Reg. 7091 (February 8, 2011).