



April 1, 2011

Communications Division
Office of the Comptroller of the Currency
Mailstop 2-3
Attention: 1557-0081
250 E Street, SW
Washington, DC 20219

Re: OMB Number 1557-0081

Via Fax

On February 3, 2011, the OCC, along with the OTS, the Federal Reserve Board and the FDIC published a joint Notice of Proposed Rulemaking outlining the plans to transition all TFR filers to the Call Report. The notice also included a proposal to discontinue the OTS Thrift Financial Report Schedule CMR and interest rate risk (IRR) model. This letter contains my comments on the joint notice.

I am in favor of discontinuing Schedule CMR and the interest rate risk report. Our bank is OTS regulated. Each quarter we spend countless hours preparing Schedule CMR and reconciling the OTS' IRR report to our Bank's internal IRR report. Some of the assumptions used in the OTS model are either dated or are based on national averages which are not appropriate to our bank. I feel that the preparation of Schedule CMR is a very heavy regulatory burden because we spend a lot of time researching and discussing the deficiencies in the OTS model with our Board of Directors. The net result of the existing regulatory structure is that our bank is at a very big competitive disadvantage compared to similar sized commercial and state-chartered savings banks because of the amount of time that we spend on Schedule CMR and the OTS IRR model.

I feel that a better way to manage IRR would be to rely on our bank's internal IRR model. Our model uses more appropriate and realistic assumptions than those used in the OTS model. In addition, our model is easier to understand and can be used to monitor changes in our bank's net interest income, which I feel is a more accurate and realistic method of managing IRR. I would support regulation that emphasizes monitoring IRR using the effects interest rates have on a bank's net interest income. The OTS model measures changes in the market value of a bank's assets and liabilities. This approach to managing IRR is very difficult to understand.



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and apply. Moreover the results may not agree with the changes that occur in a bank's net interest income with fluctuating interest rates.

In summary, I support the elimination of Schedule CMR and OTS' IRR model. These measures would reduce our bank's regulatory burden and make the IRR regulations more consistent among bank regulatory agencies.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Allan S. Kitagawa'.

Allan S. Kitagawa
President and Chairman of the Board

