

December 14, 2011

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

Via email: regs.comments@occ.treas.gov
RE: OMB Number: 1557-0081

Arrow Financial Corporation is the holding company of two nationally chartered banks: Glens Falls National Bank and Trust Company (approximately \$1.7 billion in assets) and Saratoga National Bank and Trust Company (approximately \$300 million in assets).

Only two of the proposed 2012 Call Report changes affect our banks:

1. **II.A. Allowance for Loan and Leases Losses by Category** – we have no objection to this schedule, since we are already preparing the loan note of our audited financial statements with a similar schedule. However, it does require different categories than those listed by the FASB:
 - a. The FASB asks for just commercial construction and land development loans, your proposal combines commercial and consumer,
 - b. The FASB pro-forma schedule combines 3 of your residential real estate loan categories
 - i. Revolving open-end lines
 - ii. Closed end loans
 - iii. Multifamily
 - c. The FASB breaks out automobile loans as a separate category, your proposal combines them with all other loans to individualsWe would prefer the schedules to be identical.
2. **II.B. Loan Origination Data** - We have several issues with this proposed new schedule:
 - a. In general, the instructions were convoluted and difficult to follow.
 - b. The schedule requires us to provide information that we do not track for our own analysis and management of our banks.
 - c. Preparation of the data would require costly original programming.
 - d. We find it difficult to understand what meaningful information this new schedule would provide to regulators and the public, especially for the amount of effort required by financial institutions to provide the data.
 - e. Some parts just don't make any sense. For example, under the proposed instructions, if we made a loan commitment on March 31 and advanced funds on April 1, we would not report anything in either the first quarter or the second quarter on Schedule RC-U Column B.

Sincerely yours
/s/ Jeff Spaulding