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April 22, 2013

Communications Division  
Office of the Comptroller of the Currency  
Mailstop 6W-11  
Attention: 1557-0081  
Washington, DC 20219

Robert deV. Frierson  
Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, DC 20551

Gary A. Kuiper  
Counsel  
Attn: Comments, Room NYA-5046  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, DC 20429

Re: Proposed Agency Information Collection Activities; Comment Request

OCC OMB Number: 1557-0081

Board OMB Number: 7100-0036

FDIC OMB Number: 3064-0052

Dear Ladies and Gentlemen:

The Independent Community Bankers of America (ICBA)<sup>1</sup> appreciates the opportunity to comment on the joint notice and request for comment on proposed agency information collection activities pertaining to the revision of the Consolidated Reports of Condition

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<sup>1</sup> The Independent Community Bankers of America®, the nation's voice for more than 7,000 community banks of all sizes and charter types, is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best-in-class education and high-quality products and services.

With nearly 5,000 members, representing more than 24,000 locations nationwide and employing more than 300,000 Americans, ICBA members hold more than \$1.2 trillion in assets, \$1 trillion in deposits, and \$750 billion in loans to consumers, small businesses and the agricultural community. For more information, visit ICBA's website at [www.icba.org](http://www.icba.org).

and Income (call report). The purpose of proposing the revisions to the call report is to provide data needed to aid in determining the safety and soundness of regulated financial institutions both individually and together by the banking agencies or to provide data that would assist other agencies in meeting their intended public policy missions and responsibilities. The proposed revisions seek to add or expand data requests to the quarterly call reporting requirements starting with the call report effective for June 30, 2013.

## **Background**

The proposed changes to the call report seek to require banks with \$1 billion or more in total assets to provide details on certain consumer deposit accounts (excluding time deposits) when they offer separate deposit products to consumers and businesses. Transaction account deposits in domestic offices would be segregated by deposits in noninterest-bearing transaction accounts and interest-bearing transaction accounts when the accounts are intended for personal, household, or family use. Additionally, nontransaction accounts would be segregated by money market deposit accounts and other savings deposit accounts when those accounts are intended for personal, household, or family use.

Consumer deposit service charges currently disclosed in the income statement would be disclosed in greater detail by all banks regardless of size if they offer deposit accounts for consumers. The components of the deposit service charges would be separately disclosed on a year-to-date basis for consumer overdraft-related service charges on deposit accounts, consumer account monthly maintenance charges, consumer customer ATM fees, and all other service charges on deposit accounts.

The purpose of the information requests by the agencies is based on a belief that no reliable source currently exists to properly track funds held in consumer deposit accounts. By providing this information, the agencies and the Bureau of Consumer Financial Protection (CFPB) believe that they will be better able to track consumer use of deposit accounts and better assess institutional liquidity risk. Specifically for consumer deposit service charges, the agencies seek to better determine an institution's funding stability. The agencies assert that service charges on deposit accounts represent a substantial portion of smaller institution noninterest income while a source to track these fees does not exist. Additionally, the agencies and the CFPB seek to better monitor trends in fees due to concerns about the harm that these fees may cause depositors.

The proposed information request also includes questions on international remittance transfers as well as new data items for some institutions. ICBA is also reviewing this aspect of the proposal and will provide comments solely related to international remittance transfers under separate cover.



## Impact on Community Banks

ICBA believes that the proposed collection activities would present a regulatory burden for community banks. Community banks lack the resources and the staff to comply with these information requests or upgrade their systems to efficiently track and report them.

Furthermore, the banking regulators have not made a compelling argument that this collection activity is important to maintain the safety and soundness of a banking institution. Community banks serve a wide range of customers by offering tailored deposit products that meet the needs of the communities they serve. Because every community is different, the deposit products offered cannot be readily categorized in the manner presented. Any concerns about the ability of a community bank to maintain stable funding sources can be readily handled through the on-site examination of an institution where the individual capital and funding structure of the institution can be thoroughly evaluated. ICBA believes that the disclosures proposed are relevant only for the largest depository institutions, where the number and types of deposit products offered to customers reflects the desire to accommodate wide ranges of consumer banking needs.

ICBA also believes that providing details on consumer service charges does not properly meet the goal of providing valuable information that regulators can use to determine the safety and soundness of a community bank. These fees are already disclosed as a distinct revenue line item on the call report. If noninterest fee income becomes an unstable or irregular source of revenue for a community bank, those characteristics will be easily observed as currently disclosed. Additionally, calling for more granular disclosures of consumer fees in the call report serves no necessary regulatory purpose. Most banks currently provide or make available to their customers fee schedules that fully disclose all service charges. This should allay concerns by the CFPB that consumers will be harmed by such fees. In some cases, a consumer cannot agree to proceed with a fee-based transaction without first acknowledging the existence of the fee and its amount. **Since many community banks with over \$1 billion in assets would be adversely impacted by this proposal, ICBA requests that the proposed information collection activities for consumer deposit accounts and consumer deposit service charges not be applied to financial institutions with consolidated assets of \$10 billion or less.**

When expanded disclosures do not meet the objective of determining the safety and soundness of a banking institution, their existence simply represent increased regulatory burden where the time and expense needed to properly complete the disclosures greatly outweigh any benefits that may be realized. The presence of this regulatory burden is most harmful to community banks, who have limited resources and funds at their disposal to complete the disclosures. ICBA requests that the agencies and the Federal Financial Institutions Examination Council pay special attention to the sensitivity of these proposals on community banks of all sizes not only in isolation but also in connection with the total regulatory requirements faced by these institutions. Additionally, all

regulatory agencies should seek to adequately understand the unique characteristics of the community bank business model, with its relationship-based service focus and tailored deposit product offerings to the community.

ICBA appreciates the opportunity to comment on this proposal. If you have any questions or would like additional information, please do not hesitate to contact me at (202) 659-8111 or [james.kendrick@icba.org](mailto:james.kendrick@icba.org).

Sincerely,

/s/

James Kendrick  
Vice President, Accounting & Capital Policy