

EnerBankUSA

SALT LAKE CITY, UTAH ▪ MOORESVILLE, NORTH CAROLINA

Mr. Gary A. Kuiper
Counsel
Comments, Room NYA-5046
Federal Deposit Insurance Corporation
550 17th St.
Washington, DC 20429

VIA EMAIL TO: comments@FDIC.gov

Re: Request for comments regarding Proposed Agency Information Collection Activities.

Dear Mr. Kuiper,

I appreciate the opportunity to respond to the Request for Comments published in the Federal Register on February 21, 2013 beginning on page 12141 by submitting the following comments on behalf of EnerBank USA.

EnerBank USA is an industrial bank that specializes in providing unsecured home improvement loan programs for homeowners through nationwide dealer networks of leading home improvement manufacturers, distributors, and franchisors as well as through home improvement contractors and retailers. Headquartered in Salt Lake City, Utah, EnerBank USA has approximately \$600 million in assets. Our parent company, CMS Energy (NYSE: CMS), is a Michigan-based company that has an electric and natural gas utility, Consumers Energy, as its primary business and also owns and operates independent power generation businesses. EnerBank USA represents 2% of CMS Energy's net assets.

I am concerned about the requirement applicable only to institutions whose parent holding company is not a bank or savings and loan holding company in which the institution would report in Schedule RC-M the total consolidated liabilities of its parent holding company annually as of December 31 to support the Board's administration of the financial sector concentration limit established by Section 622 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. CMS Energy will fall into this category. While I understand the purpose for requesting this information and have no concern about reporting it per se, the requirement to obtain the information through a Call Report instead of another means presents issues that I have outlined below.

Due to these concerns, I request that the Federal Reserve obtain the information directly from the parent holding company or devise another method to collect this information and not include it in a bank's Call Report. There are obviously many cost effective and non-burdensome ways that the information could be obtained without imposing the burdens on the subsidiary banks outlined below.

Attestation.

As noted in the request for comments, including information about the parent holding company in the Call Report is difficult for the CFO of a subsidiary bank to certify when the bank CFO does not prepare the parent holding company's numbers.

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As CFO of EnerBank USA, I have absolutely no input or oversight on the process of preparing financial statements for CMS Energy other than supplying EnerBank's numbers to them. EnerBank USA is a wholly owned subsidiary of CMS Energy and represents only 2% of CMS Energy's net assets. As the CFO of a small subsidiary over 1,500 miles away from my parent company, I do not have the ability to certify that the information that they would provide would be prepared in conformance with the Call Report instructions. What if the number turns out to be inaccurate? Could I or EnerBank be held responsible to any degree if the error is material?

All of these issues are eliminated simply by obtaining the information directly from the parent holding company and letting the CFO who is responsible for the numbers certify their accuracy.

Timing will be a problem.

CMS Energy is a large and complex publicly held entity (NYSE). Their annual audits require considerable work and often take several months to prepare. EnerBank's Call Report is always filed before these parent company audits are done and the numbers finalized. Over the past three years, CMS Energy has filed their 10-K between February 21 and February 24, long after our Call Report deadline. It would make more sense to require a holding company to file the information when it becomes available in the finalized annual audit or at least set a deadline for filing the information at a later time after the calendar year end. CMS Energy will not be able to provide final audited numbers, and may be able to only give estimates, if the information must be included in a December 31 Call Report. Providing this information after publicly traded parents have filed their annual Form 10-K would seem to be a reasonable approach.

Conclusion.

I do not dispute whether the Board is entitled to obtain information about a parent holding company's liabilities. That information can easily be obtained directly from the parent holding company or from their 10-K. It would better enable the Board to determine directly when final audited numbers will be available and time the submission of the information accordingly. For these reasons I urge the agencies to adopt a system to obtain this information directly from the parent holding companies and not burden the bank or require me to certify that which I do not have the ability to actually verify.

Thank you for your consideration.

Sincerely,



Charles E. Knadler
EnerBank USA
Executive Vice President and Chief Financial Officer