

Proposal: Call Report (FFIEC 031 and 041) (ICP #2015-25; Pub'd, 9/18/15)
Description: Joint notice and request for public comment of a proposal to extend, with revision, the Consolidated Report of Condition and Income (Call Report), which are currently approved collections of information. (Published FRN, 9/18/15)

Comment ID: 130036
From: Stoneham Bank, Stoneham Bank, Eric Marsh
Proposal:
Subject: Call Report (FFIEC 031 and 041)

Comments:

[p]Public Comments on Agency Information Collection Activities; Proposals, Submissions, and Approvals:[/p]

[p]Title: Agency Information Collection Activities; Proposals, Submissions, and Approvals

FR Document Number: 2015-23402

RIN:

Publish Date: 9/18/2015 12:00:00 AM[/p]

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Organization Name: null

Comment: With regard to Federal Register Number 2015-23402, I would like to comment on the effectively restructuring the Call Report required to be submitted quarterly by financial institutions. Specifically, I work as the CFO at StonehamBank in Stoneham, Massachusetts. We are a state chartered, mutual co-operative bank with just over \$500 million in assets and approximately 80 FTE's for numbers of employees.

First: It is estimated within this site that the burden per quarter to produce a call report is 44.56 hours. While that may be an average, I believe it to be a low estimate when considering the number of people required amongst several departments to pull together all of the support items to complete the input. The estimate at our bank is closer to 55 hours when as several people need to be involved, representing several departments.

Aside from this, there is also on-going work required to have the required data input correctly into our systems for later extraction for singular use in the call report.[/p]

[p]Second: The bank never sees the use of much of the memoranda data input to the call report. Where does this go and how is it used? Why is there never any useful information provided back? Are there statistics or guidelines beneficial to the banks that are produced or are the memoranda sections only for the regulators to have data? In our case, the FDIC is the primary federal regulator and we do not seem to ever find out what the data is used for, nor is it translated to us in a manner that tells us how the information can be used to better manage our FDIC premiums (such as if we are building risk or reducing it). If this information is used by the FDIC to help better manage the FDIC Insurance Fund it would make sense to share that with the banks wouldn't it?[/p]

[p]Third: With regard to "risk based examination", it would seem to be inherent that every component of

the call report could be translated into a value with regard to safety and soundness. Can each bank regulatory agency point to every page and give proof that the information helped the safety and soundness of the bank in question or the banking system as a whole? It seems that it has been easier to require the entire industry to provide anything that might look good than let the banks deal with how to provide it and how to pass on or absorb the costs.

From this perspective, why is there only one level of call report? It does not seem even remotely possible that a bank our size would pose the risk to the banking system of even a \$10 billion asset size bank, to say nothing of a bank significantly larger. It would seem that there has been enough time since the 2008-2009 time period for enough review to have taken place to determine which banks are taking excessive risk and which ones are not.

It seems the reporting process and perhaps the banking system as a whole would be better served if the call report was rebuilt from the ground up. Isn't there enough knowledge out there to determine what parts of the call report actually add value to the safety and soundness process and start from there?

A one-size-fits-all approach seems to be the approach to be how many issues in banking are viewed ranging from regulations to reporting. When considering the risk posed by each bank maybe it is time to consider that a multi-tiered system would be more effective.

Respectfully submitted,

Eric Marsh, EVP, Treasurer & CFO

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