



February 5, 2016

Legislative and Regulatory Activities Division, OCC
Attention: 1557-0231
400 7th Street SW, Suite 3E-218
Mail Stop 9W-11
Washington, DC 20219

Sent via Email to: prainfo@occ.treas.gov

SUBJECT: Response to OCC Request for Comments regarding BSA MLR Assessment

Dear Sir or Madam:

Thank you for the invitation and opportunity to comment on the OCC MLR Assessment and information gathering process. I am submitting responses on behalf of Signature Bank, N.A. ("Bank"), an approximate \$700 Million asset size community bank located in Toledo, Ohio.

- (a) Response regarding "Whether the collection of information is necessary for the proper performance of the functions of the agency (OCC), including whether the information has practical utility":

While this information gathering exercise has a degree of practical utility for us and likely for the OCC, we question whether our perceived small degree of utility is worth the cost to the Bank or to the industry, and we seriously question the necessity of this information for the proper performance of the functions of the OCC, knowing that the OCC is the only Agency requiring this information be gathered and submitted annually by community banks. This burden creates an uneven playing field amongst financial institutions.

- (b) Response regarding "The Accuracy of the agency's estimate of the burden of the collection of information":

Under the Paperwork Reduction Act Statement printed on the last page of the MLR form, it says "The OCC estimates that it will take respondents 6 hours to complete this form". We are perplexed by this statement since it takes us approximately 150 hours to complete the entire MLR reporting process each year. It takes us about 3 hours to key in all the information to the form and another 2 hours to have a second person verify the information was keyed accurately. Does the OCC's estimate include the time it takes a bank to gather, sort through and quantify the information accurately prior to it being keyed into the form? Obviously, every bank will have a differing burden for this function, depending on how many categories of questions &

answers apply to each bank, the nature and accuracy of their reporting systems, and the competence level of the staff performing this function. For the most recent report, we keyed data into 444 fields on the form, and there are another 48 fields answered either with a No or a zero as these fields did not apply to us. It takes time to research our systems for the answer even if the answer ends up being No or zero. Note that "Systems" is plural, since the search for answers has to be done via several different systems, including those operated by third party service providers.

- (c) Response regarding "Ways to enhance the quality, utility, and clarity of the information to be collected":

Several categories of MLR questions ask for "Total Number of Accounts" along with "Total Volume" as of a point in time (i.e., September 30) each year. It's difficult for one to translate this limited information to any particular degree of BSA / AML risk. One customer may have several accounts fitting one or more MLR reporting form category, and the balance of an account at one point in time has little to do with the volume of dollars, or number of transactions, or type of transactions, or underlying risk of transactions going through an account. For example, why would anyone assume that all Domestic Charitable Organizations should fall within a category labeled "Cash Intensive Businesses" when their transactions may or may not involve any cash? Similarly, why would CDARs reciprocal deposits exchanged with other FDIC insured financial institution be lumped together with other brokered deposits when the AML risks of each are much different?

- (d) Response regarding "Ways to minimize the burden of the collection on respondents, including through the use of automated collection techniques or other forms of information technology":

For us, the greatest MLR reporting burdens result from gathering information for domestic and international ACH & wire transfer transactions, along with sorting of and keying in international transactions, both count and dollar volume, segregated country by country. This is a huge duplication of effort and somewhat error prone since each reporting bank does this individually using a variety of systems. Given that these types of transactions all roll through the US financial system, why not get the breakdown of the aggregate from the Federal Reserve Bank, and then let us know how the OCC believes this information impacts our AML risk profile?

And why require all this MLR information annually from all OCC regulated community banks regardless of their AML risk profile? Lastly, the MLR Guide would be easier to use if the MLR Form & Guide contained numbers by each data line item. Such numberings were eliminated with the 2015 MLR form.

Sincerely,



Archie D. Stamm, SVP
Chief Compliance Officer
Signature Bank, N.A.
Toledo, OH 43623
(419) 841-7773