

November 12, 2010

State Regulatory Registry  
Attn: Tim Doyle  
Federal Registration Fees-Public Comments  
1155 Connecticut Avenue, NW, Fifth Floor  
Washington, DC 20036-4306

Dear Mr. Doyle:

The American Bankers Association (ABA) welcomes the opportunity to provide comments on the State Regulatory Registry Board's (hereinafter "SRR" or "Registry") proposal to set fees in accordance with the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (hereinafter "SAFE Act"), as published in the SRR's request for comments dated October 14, 2010. The American Bankers Association represents banks of all sizes and charters and is the voice for the nation's \$13 trillion banking industry and its two million employees. ABA's extensive resources enhance the success of the nation's banks and strengthen America's economy and communities.

Section 1510 of the SAFE Act provides that the "Federal banking agencies, the Farm Credit Administration, the Secretary, and the Nationwide Mortgage Licensing System may charge reasonable fees to cover the cost of *maintaining and providing access to information from the Nationwide Mortgage Licensing System and Registry...*"<sup>1</sup> The SRR receives its authority to assess the proposed licensing fees pursuant to the SAFE Act and 12 CFR Parts 208 and 211, et al.<sup>2</sup>

ABA offers four areas of concern regarding the published schedule:

- The first concern relates to the reasonableness of the fees. The SRR should ensure that any fee schedule is specifically limited to charges that are reasonable to the services authorized by statute and rule, and limited to those costs only and not to other operational centers, including those of the Registry. Also, ABA believes proposed charges should be documented and subject to review by appropriate federal regulators.
- ABA is further concerned about the non-predictability of any future fee schedules, and recommends that the SRR consider identifying a standard, system or index whereby fees can be raised or lowered based on actual costs. Doing this will provide insured banks the ability to appropriately plan and budget for these new costs, particularly in the present environment where regulatory requirements and costs are increasing at record rates.
- Additionally, ABA firmly believes that the fees established for non-banks, including Farm Credit System institutions, must remain consistent with the fees applied to insured banks. The proposed fees published on October 14, 2010, are similar and comparable to those presently experienced by

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<sup>1</sup> Emphasis added.

<sup>2</sup> 12 CFR Parts 208 and 211 (Federal Reserve System). Also see 12 CFR Part 34 (Department of the Treasury-Office of the Comptroller of the Currency); 12 CFR Part 365 (Federal Deposit Insurance Corporation); 12 CFR Part 563 (Department of the Treasury- Office of Thrift Supervision); 12 CFR Part 610 (Farm Credit Administration); 12 CFR Parts 741 and 761 (National Credit Union Administration).

non-insured mortgage originators, with one exception being the two-factor identification fee, which is specific to insured institutions and federal security requirements.

- Finally, many ABA members already incur costs associated with background checks and fingerprinting employees. To avoid duplicated efforts and excessive costs, banks should be able to utilize their existing protocols and supply resulting data to the Registry. ABA recommends that the SRR, Federal banking regulators, and covered insured institutions identify the necessary systems to satisfy SAFE Act requirements utilizing banks' existing background check practices.

In conclusion, imposition of fees related to the SAFE Act should be straightforward and subject to review and documentation. While ABA does not challenge this specific proposal, the process lacks important review and documentation elements. The integrity of these processes is likely to become increasingly important as insured depositories incur numerous other regulatory expenses, including those recently imposed by the Dodd-Frank Act. ABA requests that the SRR be mindful of the existing and growing regulatory cost burden on insured depository institutions and, wherever possible, seek to minimize those costs, particularly when there may be a duplication of efforts.

Thank you for the opportunity to comment on this important matter. Should you have any questions, please contact the undersigned at 202-663-5592 or [ralba@aba.com](mailto:ralba@aba.com), or Vincent Barnes at 202-663-5230 or [vbarnes@aba.com](mailto:vbarnes@aba.com).

Sincerely,

*Rod Alba*

Rod J. Alba