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Washington, DC 20036

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Paul A. Smith
Senior Counsel
Phone: 202-663-5331
Fax: 202-828-4548
psmith@aba.com

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Transmitted via e-mail to infocollection.comments@ots.treas.gov

Information Collection Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW.
Washington, DC 20552

Re: No. 1550-0023: Proposed Changes to the Thrift Financial Report;
68 Federal Register 3318; January 23, 2003

Dear Sir or Madam:

The Office of Thrift Supervision (OTS) has proposed a number of changes to the Thrift Financial Report (TFR) for use in the March 31, 2004, TFR and thereafter. These proposed changes will affect all FDIC-insured savings associations. The American Bankers Association (ABA) brings together all categories of banking institutions to best represent the interests of this rapidly changing industry. Its membership - which includes community, regional and money center banks and holding companies, as well as savings associations, trust companies and savings banks - makes ABA the largest banking trade association in the country.

The OTS proposes over 30 changes to the schedules, including a change to the definition of "mortgage loans" to include all loans predicated on a security interest in real property, revising the reporting of mortgage-backed securities to be consistent with bank reporting, adding a line for reporting holdings in other asset-backed securities, requiring separate reporting of loans secured by first liens and loans secured by junior liens, and separately reporting credit card loans from other consumer loans. Overall, ABA supports the proposed changes, many of which make TFRs more comparable with bank Call Reports. ABA notes that there are a significant number of changes, but believes that the more than a year's notice provided by the OTS and the prompt adoption of the final changes appear to give more than adequate time for vendors and savings associations to make the required changes to their systems.

However, ABA notes that the savings associations we consulted expressed concerns about two of the proposed changes. First, proposed Item No. 30 is a new requirement to collect Average Balance Sheet Data for the following selected balance sheet items:

- Total assets (SC60);
- Deposits and Investments, excluding cash and non-interest-earning items (SC10 less SC110);
- Mortgage Loans and Mortgage-Backed Securities;
- Nonmortgage Loans;
- Deposits and Escrows; and
- Total Borrowings.

The proposal provides that savings associations may calculate the average balances based upon close-of-business balances using either all the business days in the quarter or weekly balances, using one day of the week other than Friday consistently. Associations with less than \$100 million in total assets may calculate average balances based upon month-end averages. Several smaller associations have commented to ABA or to OTS that average balance information is not currently calculated by these associations. To provide this data, these institutions will be required to purchase and implement additional accounting software to provide this information. These institutions question the efficacy of the new information to the OTS when compared to the burden on these smaller institutions. ABA recommends that OTS raise the asset threshold for this requirement in order to reduce the burden on smaller institutions.

Second, OTS proposes to shorten the filing due dates from thirty (30) to twenty (20) calendar days after the end of the quarter for the TFR and from forty-five (45) to thirty (30) calendar days after the end of the quarter for Schedules HC and CMR. Savings associations are required to submit their TFR electronically so that OTS receives it no later than thirty days after the quarter-end reporting date. Savings associations have been provided additional time (a total of forty-five days) to complete Schedule CMR (Consolidated Maturity and Rate) a schedule that addresses interest rate risk, and Schedule HC (Thrift Holding Company). This later due date was granted to allow more time in which to receive information from data service providers and holding companies that was needed to complete these schedules.

OTS now asserts that advances in technology coupled with the improvements in OTS's electronic filing system software mean that the earlier due dates should not create a significant burden to the industry. ABA believes, particularly after consulting with its savings associations, that the OTS is seriously underestimating the burden that will be imposed upon savings associations. ABA notes that not only did almost every savings association consulted object to the shortening of the time period but also a similar proposed shortening of the report deadline being considered by the FDIC triggered a similar response from commercial banks. As ABA stated in its January 7, 2003, letter to the banking agencies:

“Larger banks with foreign offices have raised serious objections to the Agencies’ proposal. These banks tell ABA that they must receive specific informational reports from business lines in order to complete the Call Report schedules, as much of the information required in the Call Reports is not used in larger banks’ general ledger systems. This data must be collected from a number of sources within the organization, often while those sources are compiling other information for other required reporting, such as filings with the SEC or other regulatory bodies. The existing additional time was originally provided because of the complexity of this information reporting process, and this has not changed since the original additional time for filing was authorized. In fact, we note that this same proposal that would shorten the time for filing also adds a number of items to the overall reporting burden, such as the additional information on insurance revenue, credit cards, and

securitizations. In short, our larger institutions with multiple foreign offices believe that the Agencies' proposal imposes too great a burden and risks forcing a degradation in the quality of the data collected and reported."

We further note that smaller banks and savings associations will also have considerable difficulties in filing their Call Reports or TFRs in the shortened time frame. Many of these institutions' report preparers have multiple responsibilities, so that making the current deadlines is already a demanding process with little or no excess time remaining in associations' reporting systems. The shortening of the deadline by 10 and 15 days for these reports will result in a massive increase in the pressure and burden on the institutions' systems and people in those few days. ABA strongly recommends that the OTS not shorten the filing deadlines for the TFRs.

The American Bankers Association appreciates the opportunity to comment on these proposed changes, and if there are any questions about this letter, please call the undersigned.

Sincerely,

A handwritten signature in black ink that reads "Paul Alan Smith". The signature is written in a cursive, flowing style.

Paul Smith
Senior Counsel