

From: PREZSCB@aol.com

Sent: Tuesday, April 20, 2004 10:58 AM

To: info@icba.org

Subject: Re: Tell the Regulators About Regulatory Burden - Comment Now!

Dear Sir or Madam:

I am a community banker. I have been involved in this industry for the past 42 years. I am currently Vice-Chairman of the New Jersey Bankers Association. I am writing and expressing my personal views of the landscape of regulatory compliance issues. Some of these items discussed might not be the view of my association mentioned above.

We need your help. My small \$100 million community bank is drowning in regulatory legislation. In order to comply with the hundreds of issues regarding compliance we are left with hiring an outsourcing firm to cover our backs to make sure we have not missed or interpreted regulations incorrectly.

We have just came off a compliance examination and the bank was taken to task regarding a few compliance issues within the examination process. Truth in Lending (Federal Reserve Regulation Z) needs to be revamped. Not only is the process of disclosure to the customer confusing, but the penalties imposed on small community banks that are not considered material in nature are severe. Our small financial institution had to rebate back to customers because of a miscalculation in the Annual Percentage Rate of construction loans approximately \$7000. This only involved a half-dozen customers, which included one rebate of \$4000 that was a post closing issue which we are held accountable, but the reality is the bank is now facing an enforcement action on a nonmaterial item in our view.

This is just an example of what small community bank must live with under the current burden of regulatory disclosure. It's time to acknowledge that consumer protection regulations are not only a burden to small community banks, but are also a problem for consumers as well.

Thank you for taking the time to hear from a president of a bank who is in the trenches trying to dig out of this never ending, growing problem of over regulation.

Theodore Bessler

President

Shore Community Bank

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