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Sent: Friday, April 22, 2005 12:01 PM
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Subject: EGRPRA

I compliment your desire to receive input from the industry being impacted. First off, I believe a compliment is due to the various regulatory bodies for assisting in the maintenance of the strongest banking industry in the world. I also realize that many of the agencies are hard-pressed to maintain adequate staffing levels to support the continued layering of new legislative mandates.

Perhaps my motivation for responding is a little self-serving, but I am compelled to address one small issue. The frequency of safety and soundness exams for banks that are considered "well rated". We are a state chartered bank with joint supervision by the Arizona State Banking Department and the FDIC. We have established a good working relationship with both regulatory agencies. Our bank has and has had favorable regulatory reviews over the past decade. We are a fairly "vanilla" type bank, and we do not engage in any significant high-risk activities. The biggest concern we have at this time, like many banks in the West, is a concentration in commercial real estate. We mitigate this risk with officer training, the maintenance of a high allowance for loan and lease loss, and maintaining adequate capital - to name a few.

I would like to see exam cycle stretched to 18 - 24 months for banks that have historically exhibited sound banking practices. The various regulatory bodies do review interim data, they conduct informal management reviews, and they could always expedite a review cycle if they deemed more than average risk exists. Allowing an 18 - 24 month cycle, as opposed to a 12-month exam cycle, would allow well run banks to continue their focus of being well run banks.

Thanks for giving me the opportunity to provide my feedback.

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