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Sent: Friday, April 15, 2005 3:30 PM
To: Comments, Regs; regs.comments@occ.treas.gov; comments@fdic.gov;
regs.comments@federalreserve.gov
Cc: CCB - Zwicker, Terri
Subject: EGRPRA

Dear Sir or Madam:

Thank you for the opportunity to comment on attempts to reduce regulatory burden, which would greatly reduce the resultant financial burden.

Colonial Co-operative Bank is a 70 million, mutual bank in Massachusetts. Over the last few years, the regulatory burden placed on smaller institutions is daunting. There seems to be no consideration given for our limited resources. We are expected to comply and provide the same levels of monitoring and training as billion dollar institutions.

I can confirm that there is a severe regulatory burden with such an inequitable distribution of responsibility. We try very hard and I think based upon recent exams meet the challenge, but at whose expense?

Regulations are created often with little direction on how to comply and much less time between the final regulation and implementation time. 3 - 6 months is not enough; disclosures need to be re-written, customers need to be notified, internal forms changed, etc., With a 6 person management team versus a 30 person compliance department, this is a real struggle!

State laws, specifically BSA/AML and Privacy continually conflict with Federal. We are supposed to keep information private yet basically police our customers for suspicious activity and report it. Another conflict between state and federal regulation is the definition of a MSB.

Some suggestions:

Make more of the regulations consistent between state and federal.

Reduce record keeping requirements perhaps to match exam periods. If you are being examined every 18 months, as is normal, and you pass the exam, why do we need to keep everything for 5 years?

Raise the threshold on reporting.

Give more time between final regulation and implementation.

Provide definitive answers. Often a regulator will give an answer and then say it is their own opinion not agency opinion. I changed my entire budget process for one exam, only to have the next time around, examiner fault me for the changes. The requested actions are often preferences not requirements.

Give better guidance on how to do it. e.g. verifying payee's on cashier checks and money orders. Tell us how to do this and remain service oriented? Instead many banks stop issuing checks completely for non-customers.

Provide a tax credit equal to the regulatory burden. e.g., I currently

calculate the costs of credit bureaus in order to determine the charge to the customer. Let me calculate the costs of monitoring BSA/CIF/MSB and give me tax credits to offset those costs.

Please contact me with any questions.

Sincerely,

Eleanor (Ellie) J. Fox
President

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