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Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, N.W.
Washington, D.C. 20552

Attn: OTS-2007-0023

Competition today is not what it was 15, 10, 5, or even 2 years ago. Banks and Thrifts are quickly becoming one. As a past banker it is frustrating to go to a seminar and have the presenter tell me that my OTS charter does not allow a good comparison to other financial institutions in the audience.

Our thrift, like many; is changing its balance sheet from that of a traditional thrift to more like a bank. We do not desire to change our charter, however as we compete more and more with banks it is imperative to understand what our competition is doing well and not so well. I see getting accurate and current peer data on all financial institutions as a critical reason for converting thrifts to the call report.

Our CFO and controller spend countless hours preparing reports to input into the TFR and CMR. The reports are created through report generators by our CFO and extracted from our computer system. The data is then keyed into the TFR and CMR software provided by the OTS. Call report software is available from third party vendors, and in most cases will interface with our core processing system. This interface process will save our CFO and controller countless hours that could be spent on other duties.

Going to the FDIC web site and pulling three banks plus your own and laying them down next to each other is a tremendous management tool. The information is good for management and the board of directors. The FDIC web site is easy and fast to use. It lets you create your own peer group as well as use UBPR state and regional peer groups.

The interest rate risk data is helpful to those institutions that do not use any other model. Our bank currently uses Profitstar Asset Liability and Budgeting software. I would rather have our CFO spend time on our model than spend time on gathering data to send to the OTS. While the information is released quicker today, it still is delayed since it takes so

long to prepare the CMR and TFR. While the information is informative it is not useful for loan or deposit pricing since it is dated.

We can show the examiner how we use the Profitstar software for A/L management as well as NPV. It should continue to be a requirement for thrifts to use an interest rate risk model. But like banks, one model does not work for everyone. We should be able to choose to use your model or our own. If we use your model then we would be required to submit all of the TFR and CMR data to produce the quarterly interest rate risk report. If we use our own model, then we would be required to show the examiner how the model is used and how the information is tested for accuracy. I would rather use our own model since the data is timely and available three days after the close of business each month, not quarterly.

For our bank the transition would be fairly simple. Our controller has experience in preparing the call report, plus there are many third party vendors that provide software and training for call report preparation. I would hope to see the OTS take up the interest rate risk issue at the same time. I am confident our software, fully implemented, would satisfy the OTS. We support the goals of the OTS to move towards the Call report process as well as changing the interest rate risk process.

Sincerely

A handwritten signature in black ink, appearing to read "William Harrod". The signature is written in a cursive style with a large, looped initial "W".

William Harrod
Chief Operations Officer.