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February 4, 2003

Information Collection Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
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TFR Revisions, OMB No. 1550-0023

For many years the OTS has tried to harness and evaluate the financial condition and operations of thrifts through numerous requests for information from the thrift financial report (TFR) and constant maturity report (CMR). I remember making a presentation in 1986 to the Federal Home Loan Bank Board in Washington DC about the TFR and CMR talking about numerous requests for information and OTS's attempt to edit the thrift reports. The regulators were making considerable quarterly changes to the TFR and the financial industry was very frustrated with it. The new TFR was 12 pages and over the years it has expanded to 38 pages.

I worked in the accounting department in the thrift industry for 18 years before coming to OTS. At OTS I worked in the Indianapolis ICR department as a senior analyst and through several consolidations I became a federal compliance regulator in Chicago. During my time at OTS, I found that the safety and soundness examiners and supervision management used very little of the TFR/CMR to analyze the financial institution. They relied more on examinations and field review analysis.

So what is the big urgency to request more financial information. Every time OTS requests more information the thrifts have to retool its internal systems to accommodate it. I have read through the proposed changes and I found no basis for it. Asking for average balances, changing the home equity lines of credit to mortgages and moving lines here to there. Why? Thirty-six changes. Where are the deletions?

OTS suggests that changes are necessary to be consistent with the Call Report that, as OTS puts it, "is a step toward achieving the goal of a single set of reporting requirements for the filing of core information." OTS should also make an effort to delete a number lines in the TFR and CMR that are unnecessary.



It is my opinion OTS's request for additional information will increase the burden on financial institutions limited resources and it will continue to erode the thrift's return on assets. The changes are not needed. OTS has enough information to analyze the organization.

If the purpose and goal of OTS requested changes is to conform with the Call Report then OTS should consider dismantling the TFR and CMR report process and adopt the Call Report to achieve the goal of a single set of reporting requirements that is set for in the Riegle Act.

Also, the OTS is under the impression that technology can reduce the time needed to complete the TFR and CMR, thus OTS proposes to shorten the report deadlines by 10 days. What OTS does not understand is the efforts we make to complete the TFR/CMR statements by the deadline. At month-end the general ledger must be reconciled and a statement of condition and operation be printed which may take 10 days. Completion of various reports takes another 5 days and completion of the TFR takes the remainder of the month. The CMR report is harder to complete because our account data service cannot provide accurate information necessary to complete it in a reasonable amount of time. Therefore, we must request a mortgage data dump. Manual calculations must occur to complete the report. The reports are usually completed after regular business hours because of the association's limited resources.

The proposed changes are not necessary and reducing the deadline by 10 days causes additional burdens on the financial institution's report preparers. If the OTS's objective for the proposed changes is conformity to the Call Report then the regulatory agency should eliminate the thrift reports altogether and implement the Call Report.

Sincerely,



S. Michael Stevens
Vice President of Audit and Compliance
Retired Federal Compliance Regulator