

March 14, 2003

Information Collection Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, N.W.
Washington, DC 20552

RE: TFR Revisions, OMB No. 1550-0023

This letter is in reference to the Office of Thrift Supervision ("OTS") proposal published in the Federal Register on January 23, 2003 to accelerate the Thrift Financial Report ("TFR") filing deadlines from 30 days to 20 days and the Holding Company Schedule ("Schedule HC") and Consolidated Maturity Report ("Schedule CMR") from 45 to 30 days (the "Proposal"). The Proposal would be effective with the March 2004 reporting cycle.

UmbrellaBank, fsb ("UmbrellaBank" or the "Bank") strongly disagrees with the Proposal and believes that such changes are impractical from an operational and Board of Directors approval perspective. The Bank believes that the Proposal provides an additional, undue regulatory burden on small and medium sized financial institutions. Listed below are specific comments as to why the Bank disagrees with the Proposal.

Financial Reporting Cycle and Board Approval Requires 30 Days

- The Bank's current financial reporting cycle is at least 20 days, which includes closing the financial records and preparing financial statements and related supporting schedules ("Financial Packet") for presentation to the Board of Directors.
 - ✓ The Bank's deposit, commercial loan and home equity loan information is available the next business day following month-end; however, the reconciliation and balancing process for these systems requires approximately five business days following month-end.
 - ✓ The Bank's credit card portfolio information is not available for five to seven days following month-end.
 - ✓ Servicer reports for loans serviced by others ("LSBOs"), which comprise the Bank's single family mortgage loan portfolio, are not available for seven to ten business days following month-end. Once received, the servicer reports are utilized to manually record accruals and prepare reconciliations. The entire process requires approximately twelve business days.
 - ✓ Accounting, accruals, and balancing of the Bank's investment portfolio and fixed assets system require ten to twelve business days following month-end, largely due to reliance on third party brokerage statements, cash vault and ATM network reporting, and accounts payable.
 - ✓ Assuming all accounting staff areas are completed within twelve business days following month-end, the Bank requires an additional three business days for month-end processing and preparation of financial reports, which totals approximately 15 business days / 20 calendar days.
- Approximately 20 to 25 days after quarter-end, the Financial Packet and TFR is prepared in draft form and submitted to senior management and the Board of Directors for review and approval. Days 25 to 30 are necessary to respond to Board of Director questions, make any necessary adjustments and obtain certification and approval from the Board of Directors on the Financial Packet and TFR.

Increased Revised Filings and Operating Costs

- A shorter timeframe would not allow for a proper review by management or the Board of Directors, and could result in increased revised filings, as the Bank would be required to make significantly more estimates.
- On an industry wide basis, we believe the OTS would receive many more amended reports and OTS employees would spend much more time processing the increased volume of reports. Also, industry numbers would be less accurate if estimates were used and OTS would spend more time preparing and amending industry statistical reports.

UmbrellaBank, fsb

43

- The Bank's financial reporting department is staffed to meet current regulatory requirements. Any significant changes in the timing and/or content of reporting requirements will adversely impact the Bank's operating cost structure.

Additional Disclosures: Average Balance Sheet

- In addition to the accelerated filing date, additional disclosures are required. While the Bank does not disagree with proposed additional disclosures as part of the TFR, with the exception of average balance sheet challenges noted below, it is unrealistic to require additional disclosures in less time.
- Deposit, commercial loan and home equity loan average balance information is available on a daily basis. However, many of the Bank's balance sheet assets and liabilities are accrued or amortized/depreciated at month-end only, making a daily average balance potentially misleading. The Bank does not disagree with average balance sheet information, but notes that additional systems and processes will need to be implemented, with associated additional costs, in order to accommodate these disclosures.

Schedule HC and Impact of Holding Company Filing Requirements

- The Bank's Holding Company, UmbrellaBancorp, Inc. (the "Company"), is a Securities and Exchange Commission ("SEC") regulated entity. Currently, the SEC provides 45 days to file the quarterly 10Q report. Recently issued SEC proposals to accelerate the filing deadline to 35 days is not applicable to the Holding Company, based on its size. As such, maintaining a 30 day requirement for the TFR would be consistent with no changes to the Holding Company's SEC requirements.
- Schedule HC cannot be filed until the Company's 10Q is filed at 45 days, so the Company requires at least 45 days to file Schedule HC, or else revised filings are likely.

Consolidated Maturity Report ("Schedule CMR")

- Schedule CMR is an extremely complicated and time consuming report. In addition to the challenges noted above, and the inability to complete the CMR prior to approval of the TFR, one of the Bank's largest obstacles is obtaining CMR LSBO servicer reports. CMR LSBO servicer reports are often not delivered to the Bank for 20-30 days following quarter-end, which would make preparation of reporting impossible in the Proposal timeframe.
- Certain personnel at the Bank are utilized by the Holding Company. The Holding Company then reimburses the Bank for personnel sharing costs. Acceleration of the CMR and TFR filing requirements would result in a strain on personnel resources and increase overhead costs for the Company.
- The TFR is utilized to complete certain sections of the CMR. Currently, the Bank has at least 15 days after the TFR to focus on the CMR. Reducing this time period by over 33% to only 10 days is a significant burden, since preparation on the CMR generally does not begin until completion of the Financial Packet and transmission of the TFR.

UmbrellaBank understands that modifications to the TFR to align the data with those of other regulatory agencies may be in the best interest of the industry; however, additional reporting requirements in an accelerated timeframe is an unnecessary burden, which requires cost prohibitive staffing and/or information systems expense, with no resulting benefits. It is unrealistic to require additional disclosures in less time, utilizing existing resources, for reporting that provides no additional operational, financial, interest rate risk, or other risk management benefits to the Bank. On behalf of UmbrellaBank, I recommend that the Proposal be rejected, and the filing deadlines remain as they currently are today.

Sincerely,

Colleen Kitch

Colleen Kitch
President

cc: UmbrellaBank, fsb Audit Committee