

CHEVY CHASE BANK

Chevy Chase Bank
7501 Wisconsin Avenue
Bethesda, Maryland 20814

March 26, 2003

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Information Collection Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552
Attention: 1550-0023

Re: TFR Revisions, OMB No. 1550-0023

Ladies and Gentlemen:

Chevy Chase Bank, FSB is pleased to have the opportunity to provide comments on the Office of Thrift Supervision's proposed modifications to the Thrift Financial Report ("TFR"), including the acceleration of the deadline for filing the TFR and its schedules (the "Proposal").

Chevy Chase is the largest banking institution headquartered in the Washington, D.C. metropolitan area with \$11.6 billion in assets.

The proposal to accelerate the deadline for filing the TFR will create undue burden on banking institutions. It will limit the necessary time for banking institutions to prepare the TFR and could have a significant adverse impact on the quality of data in the TFR, as well as increase the volume of amendments to correct data errors. As discussed below, we strongly oppose any acceleration in the current filing deadlines and we respectfully urge the OTS to withdraw this portion of the Proposal.

Like many financial institutions, our deposit and loan information is managed on multiple computer systems. We must obtain data from many financial systems within our bank to accurately report the information required by the TFR. While these systems may be integrated, that integration is constantly changing as products evolve and various constituents, including management, regulators, analysts and investors, desire more information.

While it is true that technological advances over the past several years have resulted in the ability to produce more data faster, it is also true that the amount of data that must be produced has increased each year and contains an ever-growing amount of detail. The enormous amount of detail currently involved in the TFR (29 pages with more than 640 data elements) and the CMR (12 pages with more than 560 data elements), necessarily requires gathering data from almost every computer system in the bank, not just the general ledger. And because that data comes from disparate systems, it must be reconciled to the general ledger before the TFR can be prepared. So, while the supposition in the proposal that technological advances have enabled institutions to receive data more timely may be true, it does not necessarily follow that those same institutions can reconcile that data and convert it to the TFR format within the proposed 20 calendar days.

Regardless of the technological advances, and the impact those advances may have had on the ability to produce accurate information, we believe that a filing deadline of the 20th calendar day is unreasonably

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short and will create extreme burden. Such a deadline will result in either numerous extension requests or TFR filings which contain inaccurate data or both. Specifically, using January 2004 as an example, the 20th calendar day is the 12th business day; whereas, the 30th calendar day is the 20th business day. As a general matter, we close our books on the fifth business day of each month. The proposal to accelerate the reporting deadline by ten calendar days would leave only seven business days to prepare and file the TFR, compared to 15 business days under the current timeline; a decrease of eight business days, or 53%!

We anticipate that this reduction in time may also increase the volume of amendments to correct errors in reports. The primary reason for the Proposal is to accelerate the timing of receipt by the OTS of data with which it can monitor banking system risks. If the number of data errors increases, which we believe it will, and the number of amendments also increases, then it follows that the OTS will not achieve its goal. To the contrary, the accelerated filing schedule may result in a degradation in the quality of data available to the OTS.

We note also that savings institution holding companies may have business interests in addition to the savings institution. A 20-day reporting requirement will necessarily mean that holding companies must report their information to their subsidiary savings institution(s) sooner. Using a similar closing schedule, which may not be realistic for all holding companies, means that holding companies would need to provide information to their savings institution subsidiaries on or before the sixth business day after their books are closed. Savings institutions will have little or no time to analyze and review that data before including it in regulatory reports. Moreover, if the closing cycle is longer, the data may not be available before the 20th calendar day.

We recognize that many of the requirements in the proposal are necessary for the OTS to identify risks in the banking system for internal analysis and to make information on the condition of the banking industry available to the public. We do not agree that the significant cost and additional burden that would be placed on financial institutions to comply with a reduction in the reporting deadline would outweigh the benefit. Instead, we believe that the amount of time currently provided is necessary to ensure that the data contained in the reports are accurate and that any acceleration in the filing schedule will result in a degradation of that data.

Lastly, we are aware that the OTS and the other federal banking regulatory agencies are considering a project to convert the current reporting regime to XBRL, the Internet-based language. While the impact of that conversion has yet to be determined, the general belief is that conversion to XBRL will result in the ability to produce TFR information faster. We believe that it will be important to first identify in detail the scope of the XBRL project, and its impact on financial institutions, prior to the adoption of any acceleration of the timeline to file the TFR.

In light of the above, we strongly urge that the OTS withdraw the portion of the Proposal that accelerates filing deadlines.

Sincerely,

Joel A. Friedman
Senior Vice President and Controller

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