

March 24, 2003

Information Collection Comments, Chief Counsel's Office  
Office of Thrift Supervision  
1700 G. Street, NW  
Washington, D.C. 20552

67

RE: TFR Revisions, OMB No. 1550-0023

Ladies and Gentlemen:

This letter is submitted on behalf of Guaranty Bank, a federal savings bank and a wholly owned subsidiary of Temple-Inland Inc. We appreciate the opportunity to comment on the proposed rule, OMB No. 1550-0023. We strongly support the move by OTS to increase the usefulness of the Thrift Financial Report (TFR) and to more closely align regulatory reporting among the federal banking agencies. We agree with many of the proposed changes including but not limited to changing the definition of mortgage loans, expanding the reporting of junior liens, adding the optional narrative statement, separating guaranteed past due loans from non-guaranteed past due loans, including third party refinanced loans in Schedule VA, and increasing deposit detail on Schedule SI. However, we disagree with certain aspects of the proposed changes. Those changes are (1) shortening the deadlines for submitting the Schedule TFR; Schedule CMR and Schedule HC; (2) expanding information on the Holding Company; and (3) the addition of savings association and subsidiary website addresses. Our comments on these changes are stated below.

#### **Shorter Deadlines for TFR, Including Schedules HC and CMR**

We strongly disagree with shortening the deadlines for the TFR, including Schedules HC and CMR. We agree that technological advances have improved the way the TFR, CMR, and HC are prepared. However, the complexity of new bank products and the ever-increasing requests by OTS for more information on the TFR schedules have increased, not decreased, the time it takes to prepare the TFR and CMR.

The proposal states that, if approved in its entirety, it would add another 36.4 hours each quarter to the preparation time of the TFR and HC. First of all, we are concerned that, due to the complexity of Guaranty Bank's holding company structure, it will take Guaranty Bank substantially more time than estimated by this proposal to complete the Schedule HC. Additionally, we assume the 36.4 hours does not include the time to prepare the additional changes to the CMR. We respectfully request that the OTS consider the possible unintended consequences to data integrity for the thrift industry as a whole that could result from adding an estimated additional preparation time which equates to 4.5 days, while concurrently eliminating ten (10) calendar days to transmit the TFR and fifteen (15) calendar days to transmit the HC.

The recent trend and stated objectives of the regulatory agencies has been toward introducing more uniformity in regulatory reporting for savings association, banks, and bank holding companies. We strongly support this trend. The proposal to shorten deadlines would undermine the achievement OTS has made in this direction by assigning a regulatory burden to *thrifts* that is not required of *banks*, as banks are required to deliver the Call Report within thirty (30) calendar days after the report date. Additionally, as previously stated, the shortened time frames could also have the unintended result of compromising the accuracy of the TFR.

In order to transmit the TFR, HC, and CMR under the proposed timelines and to ensure accuracy in the reports, Guaranty Bank will have to increase staff. At year end thrifts not able to add staff may have a

hard time meeting the due dates of the new time lines and may be forced to send late reports or worse send incomplete reports that would require later amendments. A measure intended by OTS to increase efficiency could significantly affect the accuracy and timeliness of the TFR, HC, and CMR.

### **Holding Company Information**

Guaranty Bank strongly opposes expanding the information on Schedule HC while at the same time shortening the time available to prepare the report. We find the amount of additional information required on Schedule HC by this proposal to be onerous and burdensome in light of the shortened time period the proposal allots for completing the Schedule. OTS proposes to substantially reduce the data collection in the H-b (11) report by adding that information to the TFR. However, the H-b (11) is an annual report due ninety (90) days after fiscal year-end with quarterly updates if there has been a material change in any of the information reported. Under this proposal, the thrift will have to report essentially the same information within thirty (30) calendar days from the end of each quarter.

We are also concerned that the request for additional information may create excessive burden, in comparison to benefit achieved, for thrifts owned by holding companies with complex organizational structures. Temple-Inland, the holding company of Guaranty Bank, is a savings and loan holding company with more than 100 subsidiaries, most of which are not related to the provision of financial services. Its structure is very complex; and the requirement to report subsidiary activity related to formation, sale, or dissolution would be burdensome in comparison to the benefit such activity would likely provide to off-site analysis. In many instances, subsidiary organizations hold no assets and are formed or dissolved for legal reasons not directly related to the substantive operation of the company as a whole (e.g., to preserve a legal name). Therefore, we request that the OTS reconsider benefit versus burden in accomplishing off-site monitoring goals. Perhaps, monitoring and exam scoping objectives could be attained while limiting the definition of applicable subsidiary organizations to those that are related to the provision of financial services and all others that meet a specified standard of materiality. For example, some SEC reporting requirements are specific to subsidiary organizations that contribute 10% of total assets or total revenue on a consolidated basis.

### **Savings Association and Subsidiary Website Addresses**

OTS proposes reporting the Internet home page address and transactional website addresses of the thrift and its subsidiaries on the TFR. Guaranty Bank concurs with OTS's need to monitor the transactional websites of thrifts. We believe, however, that OTS should already have this information. In accordance with 12 CFR Section 555.310, thrifts are required to obtain prior approval before any transactional website can be deployed. Perhaps an additional step could be added to this approval process that confirms the actual deployment of the website. To add this requirement to the TFR appears to be adding an unnecessary step to a time-sensitive and already lengthy report.

Again, we appreciate this opportunity to provide comment on this important proposal. We commend OTS on its efforts to increase the efficiency of its exams and to increase the uniformity of regulatory reporting requirements among regulated institutions. If you have any questions, please call either Mike Calcote at (512) 434-1086 or Mary Helen MacAllister at (512) 434-4948.

Sincerely,

Mike Calcote  
Chief Financial Officer

Mary Helen MacAllister  
Regulatory Reporting Manager