T. Rowe Price Savings Bank
100 East Pratt Street
Baltimore, Maryland 21202

58

March 21, 2003

<u>Sent via electronic mail to</u>: infocollection.comments@ots.treas.gov

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

Dear Sir or Madam:

T. Rowe Price Savings Bank ("Bank"), located in Baltimore, Maryland, has reviewed the proposed changes to the Thrift Financial Report ("TFR"), to be implemented with the March 31, 2004 report, as set forth in the January 23, 2003 Federal Register ("Proposal") and submits the following comments.

<u>Item 3 - Asset-Backed Securities</u>: We support the addition of this line item. The current practice of lumping these assets together with other investment securities on SC185 frequently leads to error messages which we assume will be avoided by separate reporting as set forth in the Proposal.

<u>Item 29 – Transactions with Affiliates</u>: The Proposal provided detail on the definition of "affiliates" to be used, but there was not similar detail on the definition of "officers" to be used regarding the "percentage of the thrift's officers who are also officers of the affiliates." We do not believe that the collection of such information regarding junior officers would be of particular benefit and recommend that the definition of "officers" found in 12 CFR 561.35 be used. This would include, among others, the president, vice presidents, secretary, treasurer, comptroller, and similar officers, but would specifically exclude assistant vice presidents.

<u>Item 30 – Average Balance Sheet Data</u>: We are opposed to the collection of this information in light of the increased burdens it would impose. A key reason for the proposed collection of this data appears unchanged from the last time it was proposed in 2000: "to avoid skewed data when restructurings, sales, and acquisitions occur." Yet the Proposal would extend this burden to all thrifts every quarter instead of limiting its collection to thrifts which have experienced such events. A possible resolution would be to so limit the collection to affected institutions.

The other stated goals of achieving "more accurate data for use in ratio analysis" and "better yield and cost data" should be weighed against the attendant burden this data collection would bring. While we are opposed to this Item in the Proposal for all institutions, we raise the following concerns regarding the Proposal as promulgated:

- As financials are prepared monthly, the Bank does not calculate such information on a daily or weekly basis, so this would be a completely new requirement that would be extremely time-consuming. While we appreciate the opportunity outlined in the Proposal for "small" institutions to use month-end balances, we do not agree that only institutions with less than $100 million in total assets should qualify. As of December 31, 2002, our assets stood at $97.5 million, and we have surpassed $100 million in 2003. However, we have no plans to add staff or other resources simply because we have passed this threshold—we are still a small institution and will remain so for hundreds of millions more. We urge the OTS, if it goes forward, to raise the limit on institutions that may use month-end balances to those with total assets of $500 million or less.

- Regarding the use of month-end averages, the Proposal states that "[a]verage balances for securities would be calculated based on the following: for debt securities use amortized cost and for equity securities use historical cost, except for those securities held in a trading account for which use determinable fair values." We believe that the "except for those securities" phrase is intended to apply to both debt and equity securities and not just to equity securities as we see no reason to limit its applicability. Also, the phrase "held in a trading account" would seem to include "available for sale" securities as that term is commonly understood. The Bank amortizes debt securities on a monthly basis, and it would be extremely burdensome to amortize weekly to provide averages. Fair market value is readily obtainable and appears to be the intent of this provision. If this part of the Proposal goes forward, it would be useful for these points to be made clear by changing the instructions to read: Average balances for securities would be calculated based on the following: for debt securities use amortized cost and for equity securities use historical cost, except for those debt and equity securities available for sale or held in a trading account in ~~for~~ which cases use determinable fair values.

- Finally, while we discuss in more detail below the reasons why we oppose shortening the filing times for the bulk of the TFR from 30 days to 20 days, it is especially important if the OTS goes forward with these pieces of data collection. Providing such information within 20 days does not appear feasible in light of our current receipt of information from others that is needed to produce this data.

Item 32 – Holding Company Information: The Bank and its top-tier holding company, T. Rowe Price Group, Inc., would welcome a move to "substantially reduce the data collection in the H-b(11)" as stated in the Proposal as one of the trade-offs to be gained in significantly expanding the TFR Schedule HC. However, since the specifics are not to be announced until a later date, we are somewhat at a loss to comment on whether the increased burdens set forth in the Proposal are clearly offset by a modified H-b(11). We note as a preliminary matter that the H-b(11) has longer filing deadlines than is being proposed for the Schedule HC—45 days for the first through third quarters and 90 days for the year-end annual report vs. a mere 30 days for the revised Schedule HC. While the 30 day deadline for the first through third quarters would be extremely tight, it should be generally achievable, at least for the current, shorter Schedule HC. However, a 30 day deadline for the fourth quarter (even with the current Schedule HC) is unrealistic in light of the significant burdens already associated with year-end financial reporting.

We have the following specific comments regarding the Proposal as promulgated:

- A clarification would be useful regarding a web site address—does this refer to one maintained by the holding company per se or does it include an affiliate's or subsidiary's web site where information regarding the holding company may be accessed (e.g., annual reports, press releases, etc.)?

- There is a requirement to report any changes in "senior executive officers," but there is no definition provided. We believe it would be beneficial to cross-reference the definition provided in 12 CFR 563.555.

Item 36 – Shorter Deadlines for TFR, Including Schedules HC and CMR: The Bank is opposed to shortening the filing due date for the TFR Schedules (except the HC and CMR) from 30 calendar days following the end of the quarter to 20 calendar days.

The advances in technology noted by the OTS as to why shorter filing deadlines should be achievable simply do not comport to the reality faced by financial reporting staffs, particularly at small institutions where one to two people at the most are primarily responsible for financial reporting to management, the Board of Directors, the holding company, and the OTS. Raw data does not equal finished and accurate reports--each audience has its own legitimate demands for reporting formats and information to be included. In our experience, it is very common for various items (e.g., taxes, expense allocations, etc.) to not be finalized and available until the 15th business day of the month. While the Bank has sometimes been able to voluntarily file its primary TFR Schedules by the 20th calendar day, it is not a regular occurrence and, of course, when it happens at all it is for the current, shorter TFR Schedules. We believe that shortening the deadline to 20 days, even with no changes to the Schedules, will lead to inaccurate filings and will greatly increase the need for amended filings. The OTS would gain nothing by enacting such a regime.

The Bank is also opposed to the shortening of the filing due date for Schedules HC and CMR from 45 days following the end of the calendar quarter to 30 days, although for the first through third quarters this does not present the same degree difficulty as the 20-day deadline for the other Schedules. Based on our experience, a 30-day deadline for the first through third quarters would be achievable for these Schedules on a more regular basis than the proposed 20-day deadline for the other TFR Schedules. A 30-day deadline for the fourth quarter, however, is unrealistic, particularly with the proposed changes to Schedule HC. We believe that in all cases amended filings will occasionally be needed simply due to the inability to obtain, confirm, and format all data by a 30 day deadline—particularly for the expanded formats being proposed. If the OTS believes the expanded information is necessary, it should at the very least keep the current deadlines intact and solicit further comments on possibly shortening the deadlines after thrifts have had several quarters to incorporate the changes and be in a better position to meaningfully assess whether a shorter deadline is feasible.

Also, we note that a 30-day deadline for the Schedule HC is significantly shorter than the deadlines required for the H-b(11)—a full 60 days shorter at year end! A holding company subject to SEC reporting requirements has 45 days following quarter-end to file its quarterly reports and 90 days following year-end. Even under the SEC's schedule to shorten the time period for certain companies, 35 days would be given for quarterly reports and 60 days for year-end reports, with this accelerated schedule to be phased-in over several years. We do not believe that making a holding company subject to cascading deadlines between different regulators is beneficial or justified. At the very least, we urge the OTS to keep its current deadlines or consider adopting the SEC's deadlines over time for Schedule HC.

We appreciate this opportunity to comment on the Proposal.

Sincerely,

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