Jackson Federal Bank

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VIA FACSIMILE

March 20, 2003

Information Collection Comments
Chief Counsel's office
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552

RE: TFR Revisions, OMB No. 1550-0023

In response to the Office of Thrift Supervision's (OTS) request, Jackson Federal Bank is pleased to offer some insight and concerns regarding the proposed changes to thrift financial reporting. Jackson Federal Bank ("Bank") is a $1.6 billion asset thrift located in Brea, California.

As a whole, we concur with the objectives and the proposed amendments to the quarterly Thrift Financial Report (TFR) meant to enhance the usefulness of the TFR from a supervisory perspective and more closely align reporting among the federal banking agencies. We also would note that the proposed amendments taken in the aggregate will enhance the usefulness of the various statistical releases and peer data issued by the OTS as well as incorporate key disclosure requirements of the recently effective Securities and Exchange Commission laws. Relevance and reliability of data released to the public and regulatory agencies should always be of chief concern to policy makers and institutions that comply with such policy.

With respect to the last point, we disagree that accelerating the reporting deadlines will meet the ultimate objectives of the OTS. While we believe that the proposed additional reporting requirements could be accomplished under the existing reporting deadlines, we are concerned that additional undue expense and stress may be required to meet the shortened reporting deadlines. Allowing less time to comply with the current and new disclosures in the regulatory reports would not only create staffing and resource diversions for our institution, but it also could result in the erosion of both the relevance and reliability of data submitted to the OTS.

The OTS has cited technological advances in the areas of receiving data from service organizations and transmitting data to the OTS as evidence of an institution's ability to report under an accelerated timeframe. Although we agree such advances have been made, we disagree with the conclusion that this enables an institution to process and adjust its data in a more timely fashion. At issue is the reality that the majority of data required for the TFR and CMR must be manually reclassified or otherwise changed from its original form in an institution's general ledger or system generated reports. Further, given the additional disclosures already proposed for the TFR and our anticipation of changes for the CMR, we estimate an increase in the time spent on manual adjustments of data to meet TFR and CMR reporting requirements, as many of the new disclosures would not be information we receive through direct system feeds.

This presents a resource issue for our institution as we must dedicate certain staff solely for the preparation of the regulatory reports which is currently done after the general ledger is closed, analysis has been performed and internal reporting is complete. These internal tasks are generally performed before regulatory reports are prepared, not simultaneously. The timing of such work is for the express purpose of ensuring the data submitted to external parties is accurate and complete which includes adequate management review. We strongly question the incremental benefits that will be gained through acceleration of the deadlines.

Overall, from a micro perspective, an accelerated timeframe in which to complete the regulatory reports is a staffing and resource issue for our institution. We will be required to shift hours into a part of the month that is already fully scheduled with internal analysis and reporting that should precede regulatory reporting. This will ultimately result in higher personnel costs. However, if the TFR and CMR reporting format required fewer manual adjustments to our system generated data, the time spent on data preparation could be reduced thereby diminishing our personnel resource issues. From a macro perspective, we believe the proposed accelerated reporting deadline does nothing to improve the relevance of the data due to heightened concerns over the reliability of the data submitted by all institutions. The true benefit to be gained by all parties is from the other additional disclosures proposed, not requiring institutions to submit such data earlier.

As such, we believe the OTS objectives for improving the usefulness of the TFR are better met by accelerating their timeframe for disseminating regulatory information to the public. Considering the OTS currently receives all TFR and CMR data electronically, it would seem the OTS has the capability to shorten the period between the filing date and date the information is currently released to the public – currently sixty days as indicated by the FDIC web site.

We appreciate having this opportunity to present our views to the OTS. Please contact John Bogler at (714) 990-7366 regarding questions or clarification of our views.

Sincerely,

John A. Bogler
Senior Vice President and CFO