NetBank Inc.

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March 18, 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

Gentlemen:

In response to your request for comments related to your TFR Revisions, OMB No.1550-0023 Proposal, we wish to express our opposition to the proposed reduction in the filing period for savings association's quarterly reporting to the OTS.

The proposed reduction in filing deadlines for the TFR from 30 to 20 days and for both Schedules HC and CMR from 45 to 30 days, is not only burdensome to filers but also may impair the accuracy of such reports.

The following are the primary reasons that we oppose the change in filing deadline:

1. As a publicly held thrift holding company, NetBank, Inc. has its outside auditing firm perform a quarterly review of our financial statements. Our quarterly diligence procedures also call for the presentation of operating results to a due diligence committee within our executive management group and a review by our Audit Committee of the Board of Directors. Generally, we are not ready to release our earnings figures to the public in a quarterly press release until from 22 to 30 days after quarter end. Much of the work that goes into preparing the TFR is done after the aforementioned quarterly review and diligence.

2. The Financial Accounting Standards Board in recent years has issued a number of new accounting principles that directly impact financial institutions like NetBank. For example, SFAS No. 133 specifies the accounting for derivatives used as hedges. NetBank uses various types of derivatives to hedge its exposure to interest rate fluctuations on its pipeline of rate lock commitments, its loans held for sale and its servicing rights. Quarter end valuation of each of these positions and correlation testing is complex and time-consuming.

3. Although technology has automated many tasks required to prepare regulatory reports, their preparation is still fairly labor intensive. In addition, institutions often are parties to mergers and acquisitions, which temporarily complicates the process. For example, NetBank, Inc. acquired two subsidiaries within the past two years. Both of these subsidiaries operate on separate general ledger, loan and loan servicing systems. Consolidating this information is a manual process that adds to the timeframe to accurately prepare these reports. Although the subsidiaries will eventually migrate to the same systems, that migration takes careful planning and testing.

Therefore, we believe that current filing deadlines are adequate for both institutions and the OTS. Reduced filing deadlines would be both burdensome to filers and may result in impaired reliability of financial reports.

Sincerely,

Gregory B. Jones
Director of Regulatory Relations