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Sent: Wednesday, April 12, 2006 4:02 PM  
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Subject: EGRPRA

#### Records Retention

Technology has theoretically enabled our society to reduce the amount of paperwork produced and retained. It was my hope that optical scanning would enable us to destroy documents that previously had to be kept in hard copy. Unfortunately, in my humble yet accurate opinion, we have not updated our records retention rules and laws at the same pace as our technology. This may seem like a small problem on the surface, but if you look at the amount of paper being stored in aggregate, the issue is huge. The records retention guide we currently use is 24 pages long. Each document has its own retention period and certain documents have different names for the same document with different retention periods. I would recommend that you conduct a survey of financial institutions asking them if records retention periods should be updated and simplified. You will probably not have one dissenting opinion. Setting practical and reasonable guidelines would take a significant burden off banks and credit unions. The amount of physical space and weight this could free up is astronomical. Under the current guidelines, there are certain things like charge offs and bankruptcies that have to be kept permanently. Permanently is a long time. Ten to twenty years should be adequate and even less is probably appropriate. Setting some retention periods to correspond with statute of limitations seems to make sense. My recommendation would be to conduct a survey of bankers. After the survey, when you have an overwhelming response in favor of changes, organize a panel of bankers and lawyers to formulate a plan.

In 1995, the "Paperwork Reduction Act" was passed for federal agencies. Please do something for private industry.

The specific issue of optical scanning needs to be addressed. I believe scanned documents should be acceptable as evidence in certain instances.

Chris Payne  
Compliance Officer