MessageFrom: Keith Lockhoven [keith_lockhoven@wcbalbany.com]
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To: regs.comments@federalreserve.gov; comments@fdic.gov; regs.comments@occ.treas.gov; Comments, Regs
Subject: EGRPRA

For small banks (under $150 million), please consider eliminating or at least substantially simplifying/clarifying the instructions for disallowed deferred tax assets in calculating RBC ratios.  The Call Report instructions on pages RC-R-5 and RC-R-6 are difficult to understand, and the disallowance calculation formula is dependent on projected future taxable income.  Small banks like ours (T/A of $33.8 million as of FYE 12/31/05) have very limited resources.  While we regularly project book income as part of our budgeting and strategic planning processes, we don't prepare formal taxable income projections, and doing so for the sole purpose of calculating an amount that does not materially affect our capital ratios is simply not a cost-effective use of resouces i.e. it's excessively burdensome.  Actually, just reading and attempting to clearly understand the Call Report instructions for disallowed deferred tax assets is excessively burdensome.  There must be a better option for small banks like ours.

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