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January 24, 2005

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

Re: OTS Docket No. 2004-54: EGRPRA Regulatory Review—Application and Reporting Requirements

Gentlemen:

The Independent Community Bankers of America (ICBA)¹ appreciates the opportunity to comment on proposals by the Office of Thrift Supervision (OTS) to update and revise its various application and reporting requirements and to make other technical changes to its regulations.

Background and Summary of Proposal

As part of its review of regulations under the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPRA), the OTS is proposing to reduce regulatory burden on savings associations by updating and revising various application and reporting requirements. These changes are designed to reduce burden to the extent consistent with the safe and sound supervision of the industry and supplement other burden reduction measures including proposed changes to the rules under the Community Reinvestment Act.

Currently, OTS requires a Federal savings association to file an application or notice when it establishes a new branch office, changes the permanent location of an existing home or branch office, or changes the designation of an office as a home or branch office. OTS is proposing (1) eliminating the application and notice requirements for re-designations of home and branch offices for all Federal savings associations and

¹ The Independent Community Bankers of America represents the largest constituency of community banks of all sizes and charter types in the nation, and is dedicated exclusively to promoting the interests of the community banking industry. ICBA aggregates the power of its members to provide a voice for community banking interests in Washington, resources to enhance community bank education and marketability, and profitability options to help community banks compete in an ever-changing marketplace. For more information, visit ICBA's website at www.icba.org.

(2) permitting highly rated Federal savings associations to establish new branch offices and to change the location of a home or branch offices without filing an application or notice with OTS. A highly-rated Federal savings association would be one that has a CAMELS rating and compliance rating of at least 1 or 2 during its most recent examination, has a CRA rating of satisfactory or above, satisfies all of its capital requirements under 12 CFR 567, and has not been notified by the OTS that it is in a troubled condition.

OTS is also proposing a number of other technical changes including (1) establishing a standard public comment period of 30 days for all applications, (2) amending Section 528.4 of its regulations so that the equal housing logotype and legend only applies to advertisements for loans for the purpose of purchasing and constructing a dwelling and not for other kinds of lending unrelated to housing, (3) eliminating the requirement that savings and loan holding companies report changes of their chief executive officers or directors, and (4) eliminating the requirement that mutual associations submit change of control reports.

ICBA Position

ICBA commends the OTS for these burden-reducing proposals. Many of these regulatory changes are based on comments that were made by bankers at the EGRPRA outreach meetings and in various comment letters that were filed as part of the EGRPRA project. We applaud the OTS for reviewing these comments, particularly those dealing with branch applications, and making a serious effort at reducing the regulatory burden on Federal savings associations.

We agree with the OTS that these changes are consistent with the safe and sound supervision of the industry. For instance, the OTS standards for highly rated Federal savings associations will ensure that only those savings associations that are operated in a safe and sound manner and consistent with applicable CRA and compliance requirements will be exempted from application and notice requirements when establishing a new branch office or changing the location of a home or branch office. However, to ensure that OTS is aware of the existence of the new branch, we would suggest that highly rated Federal savings associations be required to notify the regional office of the OTS after the branch has opened. We also agree that it is reasonable for the OTS to require a branch application or notice if the savings association's investment in branch and home offices exceeds a specified limit, or the association is engaged in multiple branch expansions. As for the technical changes, many of these would eliminate obsolete and burdensome requirements that should not impair the ability of the OTS to supervise the safety and soundness of a savings association.

Conclusion

ICBA commends the OTS for its proposals to update and revise its various application and reporting requirements and for its other burden-reducing changes. If you have questions or need any additional information, please do not hesitate to contact me at 202-659-8111 or at Chris.Cole@icba.orgT.

Sincerely,



Christopher Cole
Regulatory Counsel