



37

November 29, 2000

Manager, Dissemination Branch
Information Management & Services Division
Office of Thrift Supervision
1700 G Street, N.W.
Washington, D.C. 20552
Attention: Docket No. 2000-81

Dear Sirs:

Re: Fair Credit Reporting Regulations: Proposed Regulation V

Home Federal Savings Bank is taking this opportunity to express its views on proposed Regulation V, which implements the provisions of the Fair Credit Reporting Act.

Home Federal Savings Bank is a \$693 million thrift institution, with 30 branch offices, located in the upper Midwest. The bank has operated for over 70 years in a conservative manner with safe and sound business policies and practices. Our financial institution offers the traditional banking services allowed by laws and regulations and has several affiliates, which offer non-traditional banking services. This allows us to focus on our customers' needs, provide products and services that exceed our customers' expectations, and to be competitive in the financial services industry.

The non-traditional banking services offered by the affiliates of Home Federal Savings Bank include appraisal, insurance and retail non-deposit services. These affiliates are reputable businesses which provide valuable products and services to both our customers and the community. The services provided by these affiliates allows Home Federal Savings Bank to give our customers options when they are looking at non-traditional banking services.

In order to provide these "value-added" services, Home Federal Savings Bank shares information with our affiliates. As a result, in 1997, we implemented the changes in the Fair Credit Reporting Act. In order not to be considered a consumer-reporting agency, the Bank gives all customers a Sharing of Information and Privacy disclosure which details the Bank's sharing of information policy and process. The notice discloses the customer's option to opt out and a reasonable time is given to opt out prior to information being shared with our affiliates. As a whole, since our current process was implemented in 1997, Home Federal Savings Bank will only need to make minor changes to comply with proposed Regulation V. This would include minor language revisions to our Sharing of Information and Privacy disclosure to comply with the requirements of the regulation.

Information Management & Services Division

November 29, 2000

Page 2

It is important when finalizing the proposed regulation that regulators ensure that the definitions and provisions of Regulation V be consistent with the corresponding definitions and provisions of Regulation P. To reduce regulatory burden, Home Federal Savings Bank and many other financial institutions have incorporated compliance with Regulation V into our process for compliance with Regulation P. Any provisions that may differ from Regulation P will increase the regulatory burden of compliance with both regulations.

As the banking industry has seen with the implementation of Regulation P, increased regulatory burden has stopped many financial institutions from sharing information in order to keep compliance costs down. Not sharing information with our affiliates would be detrimental to the customer and to the banking industry. By not sharing with affiliates, we would no longer be providing our customers with the "full service" relationship they have had in the past and have come to expect. In addition, the customer will no longer benefit from the alternatives our affiliates can provide for non-traditional banking products and services. This would hamper a financial institution's ability to be competitive in the financial services industry.

Thank you for your consideration of our comments. If you have any questions, please do not hesitate to contact me at (605) 333-7556.

Sincerely,



Curtis L. Hage
Chairman, President & CEO