

FLORIDA BANKERS ASSOCIATION

September 13, 2005

Robert E. Feldman, Executive Secretary  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, N.W.  
Washington, DC 20429  
**Attention: Comments**

RE: RIN: 3064-AC91  
Agency: Federal Deposit Insurance Corporation  
Comments: Annual Independent Audits and Reporting Requirements

Dear Mr. Feldman:

On behalf of the Florida Bankers Association ("FBA") we welcome the opportunity to comment on the proposed amendment to 12CFR Part 363 published in the Federal Register Vol. 70, No. 147, Tuesday, August 2, 2005.

FBA fully supports the proposed rule which would raise the asset size threshold from \$500 million to \$1 billion for internal control assessments by management and external auditors, and for members of the audit committee, who must be outside directors, to be independent of management.

The proposed rule is of special significance to Florida and Florida banks. The growth in the state's economy has been aided by no small measure by the growth and development of community banks. Although there has been much consolidation in Florida, there has been a concomitant growth in new institutions. These have served our citizens well.

The weight of regulation falls more heavily on smaller institutions. The particular regulations in question require employment of outside consultants and the implementation of procedures that provide little benefit in relation to the cost. As banks are subject to regular audit and examination there is little gain in safety and soundness.

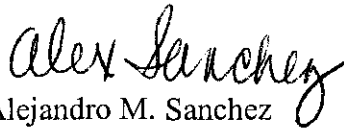
Our member institutions between \$500 million and \$1 billion tell us that the control assessments by external auditors have been quite expensive and not of significant value. They further tell us that the requirement of locating independent board members for the audit committee is often difficult.

We recognize the importance of sound controls and the need for independent review of a financial institution's fiscal condition. These, however are currently provided for by existing regulation. We see little systemic risk by putting the proposed regulation in effect given the assets and institutions that will be affected.

In conclusion, the members of the Florida Bankers Association feel strongly that the proposed regulation strikes an appropriate balance and represents a commonsense approach whose benefits far outweigh any disadvantages.

For the above stated reasons, we urge the FDIC to proceed with the implementation of the rule as published.

Sincerely,

  
Alejandro M. Sanchez  
Executive Director *ja*

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