

November 9, 2005

Robert E. Feldman, Executive Secretary  
Federal Deposit Insurance Corporation  
550 17th St., NW  
Washington, DC 20429

RE: EGRPRA burden reduction comment

Dear Mr. Feldman,

Thank you for the opportunity to submit comment on the regulatory burden of banking operations and directors, officers, and employees laws. Hillcrest Bank is a Kansas chartered commercial bank with over one billion dollars in assets. We have branches in the Kansas City and Wichita metropolitan areas. We have submitted comment on three rules presented for review this period.

Reserve Requirements of Depository Institutions

We believe the withdrawal limitations for savings and money market demand accounts are outdated, unduly burdensome, and should be eliminated. Currently, banks must either prohibit a restricted transaction from occurring if the monthly limit has already been met by a customer or monitor restricted transactions and notify customers when they have exceeded the limits. Monitoring this activity is time consuming for banks and is time that could be spent more productively elsewhere. Further, excessive withdrawal penalties are assessed to the customer when they exceed restricted transaction limitations so eliminating this burden can save consumers money. It does not make sense that withdrawals made by certain methods (in person, by messenger, by mail, or by ATM) are unrestricted in number but withdrawals made by other methods (check, draft, debit card, internet banking, sweeps, etc.) are restricted to six per month and that no more than three of which can be made payable to third parties. The net affect on the account, the amount of the withdrawals, is the same regardless of the method used to make the withdrawals. For example, if the account holder wishes to withdraw \$1,000 from their savings account to make a purchase, he or she can make 1,000 one dollar withdrawals in person at the teller station and not be subject to withdrawal limitations but a single \$1,000 withdrawal made by his or her debit card would be restricted even though the net affect on the account by either method is the withdrawal of \$1,000. New technology has allowed banks the ability to develop and offer more convenient delivery methods for consumers to access their money. Online banking, automated transfers, and debit cards are examples of this. We believe consumers should be able to utilize whatever methods are developed to access their money, at their discretion, and that savings and money market demand account withdrawals should not be restricted.

### Availability of Funds and Collection of Checks

We believe the availability schedules are too complex to comply with easily and need to be simplified. We believe there are simply too many criteria to evaluate in order to determine when a deposited check must be made available. For example, checks must be evaluated as to its routing number, its type, whether it was deposited in person or otherwise, and whether it was made payable to the account holder or otherwise. Further, the availability of a check can be extended if it is being re-deposited, if the bank has reasonable cause, or if the total amount of the customer's deposit exceeds \$5,000. Additionally, a check can be held for an extended period if the customer's account is new or they have a history of repeated overdrafts. With each additional criterion a greater likelihood exists that a mistake will be made leading to a violation of law. In some cases, as such for a new account or a large deposit, two holds with different availability schedules must be placed on deposits in order to address the amount of the deposit under \$5,000 and the excess over \$5,000. This becomes confusing for both the banker and the depositor. Also, bankers are prohibited from holding the first \$5,000 of official checks for new accounts. This is a requirement that puts banks at too much risk for loss, particularly since these are customers for which we do not have an established history to determine whether their deposited items are legitimate. Today's technology has allowed more counterfeit checks to enter the payment system and thus we believe banks should be allowed to hold the entire deposit amount, not just the excess over \$5,000, for official checks deposited into new accounts. Additionally, we believe it would simplify compliance and reduce customer confusion if the first \$5,000 of a large deposit hold were not subject to a separate availability schedule as the excess over \$5,000.

### Regulation O

We question the necessity to disclose to the public, upon written request, the credits from member or correspondent banks to executive officers and principal shareholders. We believe this requirement simply does not allow banks to meet the consumer privacy expectations for our executive officers and principal shareholders that we are to hold for our other customers.

Further, we believe the reporting of debt by executive officers, principal shareholders, and their related interests are extremely burdensome.

Sincerely,

Brad Bischoff  
Vice President/Compliance