



# Security State Bank

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February 6, 2014

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

RE: Propose Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Banks Regulated by the Agencies

Dear Sir;

The Security State Bank, located at 501 Phelps Avenue in Littlefield, Texas, has been in existence since 1947. We have \$124 million in totals assets, three branches, and 48 employees. We are a rural bank with a substantial number of Hispanic customers at two locations and we have a branch in Lubbock County with an overall population of approximately 250,000, with a more diversified population.

I have worked at a community bank for 36 years and have been a bank president for 30 years, Therefore I feel like I know that for a community bank to be successful, especially in these difficult times, they need to meet the credit needs of the customers they serve in each of their communities. As such, you employ a group of employees that reflect the demographics of the communities you serve.

Over the last several years our compliance costs have increased greatly, and since the Dodd-Frank act was passed we saw another significant increase. Three years ago I hired a lady that was in charge of bank training at a much larger bank. She had very little compliance training so we embarked on a plan for her to be our compliance officer. We spent several thousand dollars for getting her certified as a compliance officer and upped her salary as she completed her certification, only to lose her to a bank seven times our size who could afford to pay her a much larger salary. So it is extremely hard for a community bank our size to keep personnel, to train personnel, or afford the software to compile the various metrics suggested in the proposal. And even if we were able to comply, I do not think there would be any changes in the way we currently hire and retain employees.

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We also do not have ability to assess the diversity practices of our suppliers. If we were required to attempt to do so it would be one more expensive regulatory burden we would have to absorb that we feel would not significantly change who our suppliers are.

We would request that you withdraw the proposal and work to develop a more effective and less costly way for community banks to comply with this section of the Dodd-Frank Act.

Sincerely,

A handwritten signature in blue ink, appearing to read "George Richardson", with a stylized flourish at the end.

George Richardson  
Chairman and President