



KANSAS BANKERS ASSOCIATION

May 2, 2024

The Honorable Jerome Powell
Chair Board of Governors of the Federal Reserve
System
20th Street and Constitution Avenue NW
Washington, DC 20551

The Honorable Martin J. Gruenberg
Chairman
Federal Deposit Insurance
Corporation
550 17th Street, SW
Washington, DC 20429-9990

The Honorable Michael J. Hsu
Acting Comptroller of the Currency
Office of the Comptroller of the Currency
Constitution Center
400 Seventh Street, SW
Washington, DC 20219

Re: Docket ID OCC-2023-0016, Regulatory Publication and Review Under the Economic
Growth and Regulatory Paperwork Reduction Act of 1996

Dear Chair Powell, Chair Gruenberg and Acting Comptroller Hsu:

Thank you for the opportunity to provide comments on the above-stated proposal to identify outdated, unduly burdensome or otherwise unnecessary regulatory requirements on insured depository institutions and their holding companies. Before we engage in comments, we thought it appropriate to provide some background of the Kansas Bankers Association.

Kansas Bankers Association Background Information:

The KBA, founded in 1887, is a voluntary, non-profit trade association governed by its membership. The KBA is headquartered in Topeka, Kansas, and is led by our 24-member board of directors. The KBA staff includes 37 professionals, including 11 attorneys, that provide services to Kansas bankers ranging from legislative advocacy to educational training to insurance services to legal and regulatory compliance support. Our mission statement is direct and straightforward:

"Together, we support our member banks and bankers with leadership, advocacy, and education to benefit the communities and customers they serve."

KBA's membership includes 98% of the headquartered banks in Kansas. Our membership also includes 20 out-of-state commercial banks operating in Kansas and seven savings and loans. Our member banks employ more than 22,000 Kansans that provide financial services in every county across the state. While our member banks range in assets from the smallest in our state to the

largest in our state, each member bank that belongs to the KBA has one vote on policy positions adopted by either our general membership or our Board of Directors. One member, one vote.

The EGRPRA's Focus Is Supported by the Banking Industry

The KBA and its members support the focus on the decennial review of regulations to determine if there is room to reduce the regulatory burden on banks without harming the financial health of the industry. Eliminating those regulations which are outdated and unnecessarily burdensome will free up time for banks to better serve their customers and communities. Banks need communities and communities need banks.

We would be remiss not to use this opportunity to ask that every regulation that is reviewed under this process, be looked at with the various size and complexity of banks in mind. Even banks that compete in the same market have different approaches, different technologies and should not be expected to meet their goals in the same manner. Flexibility – and not cookie cutter solutions are encouraged.

Overall We Believe Many of the Regulatory Thresholds Need to be Indexed

There is precedent for the indexing of thresholds – one need not look farther than Regulation Z. But so many other thresholds are not indexed and most need to be. As rapidly as the banking industry is evolving, it seems quite extraordinary that some thresholds have remained in place for some 40 years with no adjustment for inflation.

We believe that thresholds put in place even as recently as the Dodd-Frank Act should be reviewed and indexed. Arbitrary limits put in place without a scheduled indexing already lag behind changes occurring due to organic growth of institutions, mergers and acquisitions and changing technologies. We would strongly encourage regulators to seriously consider adjusting all thresholds as a part of this review.

A 2022 International Monetary Fund study on Dodd-Frank supports that banks of all sizes are subject to extensive levels of regulation which have notable effects on bank customers and the economy. The effect of this regulatory landscape hurts bank consumers and hurts businesses of all sizes.

The Call Report Should Continue to be Simplified

One of our members with under \$1 million in assets said that it is not uncommon for it to take a week for his seasoned CFO to complete the Call Report. While it was shortened as a result of comments received during the last EGRPRA, there is still room for improvement.

Banks tell us that the information required to be collected from every area of the bank seems to be without purpose. In other words, some of the data required to be reported is no longer of importance or is not of value to the bottom line of the bank. We understand that the overall purpose of the Call Report is to provide banking regulators information necessary to assess a

bank's condition and risk profile, we believe there are components of the Call Report that do not directly contribute to the assessment of a bank's safety and soundness. Call Reports have instead become complicated and extensive forms that require collection of information from virtually every area of the bank regardless of the utility of the information.

We urge the review process to evaluate the burden of the Call Report process. For example, the data requested in call reports is often inconsistent with other regulatory reporting requirements for similar usage and many inconsistencies in definitions exist between items in the call report and other regulatory reporting. This requires separate and distinct reporting systems, processes and controls that could be more efficiently consolidated to create less burden.

Conclusion

The KBA looks forward to providing meaningful commentary during the next two years as we navigate the coming tranches of regulations to be reviewed. We look forward to finding ways to reduce bank regulatory burden while maintaining the integrity and soundness of the banking industry.

Please do not hesitate to contact either of us to discuss further.

Best regards,



Douglas E. Wareham
President/CEO



Kathleen A. Taylor
EVP/General Counsel