
MAKE YOUR VOICES HEARD IN WASHINGTON

If you don't like what's going on in Washington, speak UP!

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In my last blog post I talked about how the federal banking regulators consistently underestimate the number of "burden hours" for regulatory requirements for banks. They don't seem to have a good picture of the true time cost to banks of the regulatory provisions that they generate.

Well, that may be partially our fault in the banking industry.

We, the bankers and other interested parties, need to do a better job of making our voices heard when it comes to regulatory compliance burden.

We need to be writing comment letters on proposed new and changing regulations and we need to be submitting useful cost and burden data to the agencies when they solicit input from the public.

Commenting on regulatory proposals is extremely important.

The regulators want and need to receive information about the real-life impact of their proposed actions. They are not in the trenches dealing with consumers and trying to make a profit with trying to control expenses like bankers. The regulators do read and consider the input they receive. You better believe that consumer groups are writing comment letters expressing their side of the story.

If you haven't submitted a comment letter before, make it a goal to write at least one before the end of 2009. There is a wide array of regulatory proposals this year that you can choose from.

Here are a few suggestions when writing a comment letter to the regulators:

- Focus on the issues that are within the regulators' control. Some requirements are dictated by Congress in the legislation and the regulators have no flexibility. Don't waste time commenting on the aspects of the proposal that cannot be fixed.

- Don't be mean-spirited or sarcastic. It's best not to insult the regulator's mother and IQ. Rather, maintain a professional constructive tone.

- Provide specific details about costs in terms of dollars and time. Include specific examples of how a particular regulatory provision would be applied to a product offered by your bank.

- Offer constructive alternative approaches to obtaining the result. Can the objective be accomplished a different way that is less burdensome?

- Don't feel as if you have to comment on every provision of the proposal. That may take more time than you have available. It's OK to focus the comment letter on one or a few key points that are the most important to your institution.

- There's no rule against including supportive comments in your comment letter. If there are aspects of the proposal you do favor, you can say that also.

- Provide some background information in your comment letter to help the regulators understand the context of your comments (e.g., size of your institution, the type of community where you are located, customer base, etc.).

It does take time to gather the data and write a comment letter, and most compliance officers are severely pressed for time, especially now. But, if a comment letter is helpful in making even a small change to a burdensome regulatory requirement, the effort is well worth it.

Comment letters DO make a difference.

About Nancy Derr-Castiglione

"Lucy and Nancy's Common Sense Compliance" is blogged by both Lucy Griffin and Nancy Derr-Castiglione, both ABA Banking Journal contributing editors on compliance.

Nancy,
a Certified Regulatory Compliance Manager, is owner of D-C Compliance
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business that has provided expertise in compliance training, monitoring, risk assessment, and policies and procedures to financial institutions since 2002.

Previously, Nancy held compliance positions with Bank One Corporation and with United Banks of Colorado.

In addition to serving as a Contributing Editor of ABA Banking Journal, Nancy has served on the ABA Compliance Executive Committee; National and Graduate Compliance Schools board; conference planning committees, and the Editorial Advisory Board for the ABA Bank Compliance magazine.

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