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May 8, 2006

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Re: Studies to Develop and Test Consumer Regulatory Disclosures

Dear Ms. Johnson:

The Independent Community Bankers of America (ICBA)¹ appreciates the opportunity to comment on the Federal Reserve's proposal to conduct studies with consumers and financial institutions to develop and test consumer regulatory disclosures. ICBA strongly supports this effort and analysis and has long supported the concept of using consumer feedback to create more meaningful and useful disclosures.

Congress has given the Federal Reserve Board the duty of implementing a variety of federal laws designed to protect consumers in credit and other financial transactions.² In addition, the Federal Reserve is responsible for ensuring consumers receive comprehensive information that enables them to make better financial decisions. The Federal Reserve is proposing to conduct a series of studies to better understand consumer

¹ The Independent Community Bankers of America represents the largest constituency of community banks of all sizes and charter types in the nation, and is dedicated exclusively to representing the interests of the community banking industry. ICBA aggregates the power of its members to provide a voice for community banking interests in Washington, resources to enhance community bank education and marketability, and profitability options to help community banks compete in an ever-changing marketplace.

With nearly 5,000 members, representing more than 18,000 locations nationwide and employing over 265,000 Americans, ICBA members hold more than \$876 billion in assets \$692 billion in deposits, and more than \$589 billion in loans to consumers, small businesses and the agricultural community. For more information, visit ICBA's website at www.icba.org.

² The statutory mandates include those under the Home Mortgage Disclosure Act (HMDA), the Community Reinvestment Act (CRA), the Competitive Equality Banking Act (CEBA), the Expedited Funds Availability Act, the Truth in Lending Act, the Truth in Savings Act, the Federal Trade Commission Act, the Fair Credit Reporting Act, the Equal Credit Opportunity Act, the Electronic Funds Transfer Act and the Gramm-Leach-Bliley Act.

attitudes and knowledge and to make disclosure statements more comprehensible and usable.

Community bank customers and others often complain about information overload produced by the existing regulatory disclosure requirements. Due to their extent, and nature, current disclosures are often confusing and highly technical.³ The result is that much of the information provided is ignored or disregarded by the average consumer. Community banks, though, are still obligated to meet regulatory compliance demands and ensure the accuracy of the disclosures. Despite the resources in time and money to produce the disclosures, community bankers often comment that the only ones to pay attention to them are examiners during routine examinations or a borrower's attorney when a loan may be going into default and an escape is sought.

For example, the complex legalese found in existing privacy disclosures required by the Gramm-Leach-Bliley Act is seen by many as merely fodder for landfill and not enlightenment. In late March, an interagency task force released a possible short-form model privacy notice developed after extensive feedback from consumers. This was the first time extensive consumer testing has been used to develop disclosures, and ICBA firmly believes that additional testing with consumers – those the information is designed to help – will lead to disclosures that are meaningful and that provide information consumers want and need.

The ICBA commends the Federal Reserve for taking these steps to solicit consumer feedback. ICBA looks forward to working with the Federal Reserve and other agencies through this process to develop disclosures that meet the needs of consumers.

Thank you for the opportunity to comment. If you have any questions or would like any additional information, please feel free to contact me by telephone at 202-659-8111 or by e-mail at robert.rowe@icba.org.

Sincerely,



Robert G. Rowe, III
Regulatory Counsel

³ See, e.g., Remarks by Julie Williams, Chief Counsel and First Senior Deputy Comptroller of the Office of the Comptroller of the Currency, before the University of North Carolina School of Law 2006 Banking Institute, Charlotte, North Carolina, March 30, 2006.