

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
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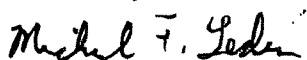
Docket Number R-1255

Federal Reserve Board:

We have concerns about the burden this proposal could have on the financial industry and community banks in particular. Particular areas of concern are as follows:

1. Dealing with address changes with consumer reporting agencies. We are currently going through address changes to the majority of customers in our area due to 911 addresses being assigned. In this case there would be an address discrepancy in nearly every case. A significant amount of time could be required to address each discrepancy and at the same time create documentation to prove that each discrepancy has been addressed, especially in cases where the whole area is going through a 911 address change. Our bank continues to do the majority of transactions face-to-face and new customers are checked through ID's and CIP checks, which includes reviewing a photo identification.
2. Vague requirements such as "monitoring" and "detecting" possible cases of identity theft for all of the banks accounts could mean a large range of definitions and cause liability to the banking industry in cases where identity theft was missed. There will be no fool proof system that can pick up all cases of identity theft and for community banks systems, reports, personnel costs could become a significant burden. Banks are already dealing with heavy costs due to the Bank Secrecy Act, Patriot Act and SOX 404 where considerable amounts of time, personnel, software programs, and possible fines for inadvertent errors, hang over our heads on a daily basis. Adding further responsibilities (liability) such as subjective and burdensome identity theft regulations would further hamper our ability to adequately service the very consumers you are trying to protect. Somewhere along the line it needs to be recognized the financial industry is to provide financial services to consumers and not a police industry for the government. Community banks continue to carry an inordinate share of burden as to costs, personnel, and drain on profits due to regulatory requirements.

Yours truly,



Michael F. Ledin, Senior Vice President.