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Subject: Economic Growth and Regulatory Paperwork Reduction Act of 1996 Review

This comment is in reference to FIL-10-2004 regarding the reduction of regulatory burden from Lending Related Consumer Protection Rules. I have been a bank compliance officer for over 20 years. I offer the following comments.

1) Currently, monitoring data is collection for Regulation B (Reg B Monitoring Information) and also for Regulation C (HMDA). This information relative to race and sex is redundant. It is recommended that data be collected on race and sex for HMDA reporting purposes only. The other requirements for Reg B Monitoring Information are age and marital status. Is this information being used by the regulatory agencies or is the collection of this information an unnecessary burden for banks? A common violation for bankers is to have Reg B Monitoring Info in files where this information should not have been collected e.g. a car loan. It may, in fact, have been collected for a separate credit and multiple loans may be housed in the same loan files. IT WOULD HELP BANKERS AVOID THIS COMMON VIOLATION if Reg B Monitoring Info was not collected. Please ELIMINATE Reg B Monitoring data collection.

2) Also, relative to the collection of information on race, sex, and ethnicity--these categories are controversial among compliance professionals and bankers alike. The information is NOT collected as part of the CRA data collection process. Why collect it at all for loans? Is the government itself perpetuating the racial categorization of individuals? What about other ethnicities besides Hispanics? What about Polish, Irish, Kenyan, and Japanese? The 'Ethnicity' category stimulates much discussion--not necessarily healthy or professional. One example from a seminar I attended is this (true story): A Chinese couple moved to Cuba. There they had a daughter. They next moved to Little Havana in Florida. Although of Asian ancestral descent, the daughter was raised and lives in a Latino environment. Is the daughter Hispanic? Another example comes from my days working for the 2000 census. I met with a 'Hispanic' family. They did not know what racial category to select--black? white? . . . Please ELIMINATE or CLARIFY ethnic and racial data collection.

3) In relation to the US PATRIOT Act, traditionally, bankers have not kept copies of licenses in the loan files. I spoke with FDIC examiner Steve Murphy about this during our last exam. He stated that although copies of licenses are not formally forbidden in Reg B, banks customarily do not keep copies of licenses in loan files for fear that they will be cited for some type of fair lending violation. PLEASE CLARIFY, that in light of the enhanced recordkeeping requirements of the US PATRIOT Act, it is okay for bankers to retain license copies within their loan files. Note: If we have a loan file, then we've approved the credit, therefore, there was no discrimination on the part of the lender based on alleged racial profiling from a license photo anyway.

Thank you for your consideration.