

Commerce Bancshares, Inc.
Compliance Department, TB12-1
922 Walnut P.O. Box 13686
Kansas City, MO 64199-3686

May 10, 2004

Docket Number: R-1186

Ms. Jennifer J Johnson
Secretary of the Board
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551 submitted via e-mail: regs.comments@federalreserve.gov

Re: Home Mortgage Disclosure – Table Revisions

Dear Madam:

Commerce Bancshares, Inc. is a registered bank holding company with total assets of \$15.7 billion at December 31, 2003, and four bank subsidiaries. Three of these banks are full-service banks, with approximately 200 branch locations in Missouri, Illinois, and Kansas. The other bank is a limited-purpose bank, with one office in Omaha, Nebraska. All of the banks are national banks. Commerce has implemented policies and procedures with regard to Home Mortgage Disclosure Act and Regulation C. Affected bank personnel have been trained in the technical issues associated with HMDA and Regulation C, and significant effort has gone into automating the HMDA data collection for annual reporting.

We feel the proposed additions and deletions of reporting tables for public disclosure of loan data appear to be reasonable as presented. No further changes are recommended.

However, due to the need for significant application numbers for valid statistical analysis, a reporting institution should have a minimum number of 50,000 applications annually before its performance under HMDA is made available to the public. Absent sophisticated understanding of the underlying data, the public can be misled with tables and percentages that are not statistically valid due to limited sample size. The addition of the new race/ethnicity guidelines will actually reduce the prospective sample numbers in each category because of the increased number of combinations available.

We request the Board consider setting a minimum number of applications and report to the public only information for institutions that exceed the minimum.

Thank you for the opportunity to respond.

Sincerely,

Paul Costello
Assistant Vice President
CRA Compliance Manager
Compliance Department

