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Raymond Federal Bank

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July 23, 2008

Communications Division
Office of the Comptroller of Currency
Mailstop 2-3
Att: 1557-0081
250 E St, SW
Washington DC 20219

Re: comment on proposal to convert from TFR to call report

Greetings,

On behalf of the Board of Directors and Management of Raymond Federal Bank in Raymond WA, we appreciate the opportunity to comment on the notice of proposed rulemaking (NPRM) issued February 8, 2011, regarding the elimination of the Thrift Financial Report and required conversion to the call report.

We heartily endorse the proposal to convert all federal thrifts to the call report, thus eliminating the Thrift Financial Report. It has made sense for some time, to have the insured banking industry using the same reporting methodology. At the very least this will help ensure comparability and consistency. The integration of the OTS into the OCC is a perfect time to accomplish this result.

On the other hand, we are quite concerned about the elimination of the CMR and the resulting OTS Interest Rate Risk Model. The Bank has utilized this model since it was first implemented in the early 90s.

As a savings and loan association, Raymond Federal has maintained the focus on single family home lending, while offering consumer banking services. Given the size and lack of complexity of our balance sheet, the model does work for our bank.

By eliminating this model as an interest rate risk tool, Raymond Federal will be forced to incur additional and substantial costs. These costs are twofold. First, are the costs incurred in the purchase, initial training, and on-going maintenance of the model. Additionally, there is the implicit cost of the time it will take

personnel to get up the "learning curve" and then to run the model on a regular basis.

In today's environment, we are being buffeted by additional costs and regulatory compliance which unfairly burden a community bank of our size. This is just one more "nail in the coffin" of small community based banks. These are the banks that not only provide personalized banking services to our customers but are also important benefactors in the locales we serve.

One of the arguments that has been raised for requiring each bank to utilize an internal methodology to determine its interest rate risk is due to the requirements in the FFIEC guidance on IRR. We are required in that guidance to be able to measure, monitor and manage our interest rate risk, based on the size and complexity of our bank. However, for our bank, this is nothing new. We have been judged by that standard in recent safety and soundness examinations and have received acceptable ratings. This has been done without the use of an internal interest rate risk model or the use of an outside consultant.

In summary, we are supportive of the conversion to the call report for all thrifts. However, we feel that the elimination of the interest risk model is arbitrary and paints all institutions with far too broad a brush. In the end the information we have with an internal model will not justify the cost incurred to meet the requirement.

Sincerely,

John P. Marvin
President