

19

Evans, Sandra E

From: Bavlnka, Duane [dbavlnka@northshorebank.com]
Sent: Thursday, September 05, 2002 5:43 PM
To: 'regs.comments@ots.treas.gov'
Subject: Attention: NO 2002-27

September 5, 2002

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552

Attention: No. 2002-27

I am writing to comment on 12 CFR Part 563. North Shore Bank is a \$1.8 billion savings bank. We have 38 offices, located throughout the eastern half of Wisconsin.

We are concerned about the proposed recordkeeping requirements in section 103.121(b)(3). Specifically, that the bank must maintain a copy of the document that we rely on. We will need to invest in an imaging system to collect and retain this information in a digital fashion or we will need to keep photocopies of the documents. An imaging system will be expensive on its initial purchase and ongoing maintenance. Photocopies have problems with the quality of the copy. Pictures do not copy well. They are most often too dark to see any detail to the faces. Often, there are security features within documents that alter the look and certainly the quality of the copied image. How can a poor quality copy have any value? In light of the significant increases in identity theft, institutions will now have copies of the prime documents that a forger or identity thief is after. Will we be required to have these copies secured in any special way? I suspect that much of the theft of customer information is stolen through "insiders". Does this not make the information more valuable to the thief? We would prefer to record the information, such as the type of document and the identifying number, but not be required to maintain copies.

Sincerely,

Duane M Bavlnka
Vice President-Compliance
North Shore Bank, FSB
15700 W Bluemound RD
Brookfield, WI 53005
(262) 797-3571