

# Eaton Federal Savings Bank

3

236 South Cochran Ave., P.O. Box 219, Charlotte, Michigan 48813 • Telephone (517) 543-3880

August 6, 2002

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

Dear Sirs:

This letter is in response to the proposed rules of the various agencies regarding the customer identification programs as required by the USA Patriot Act. In general, the proposed rules present many operational problems for banks which will be costly to administer.

Some of the areas of particular concern are as follows:

- **Opening Joint Accounts**

It is very common for one or more persons to open a joint account on a face to face basis without the other parties to the account being present. This type of transaction is a daily occurrence and the difficulty therein is acquiring the identification of the account holders not present. Parents and grandparents routinely open accounts which include children and grandchildren not residing in the immediate area. Many times these additional account holders live in other states. Acquiring pictured ID of these individuals is very difficult. We normally ask the customer to obtain the signatures of these individuals, and then return it to us for our records. This information would include their address and Social Security number however, we have no possible way under these circumstances of seeing a pictured ID. For obvious reasons, these individuals will not send us their drivers license. In addition, it is not uncommon to take several months to acquire the additional account holders signatures.

Under Section 103.121 (b)(2)(iii), lack of verification, the proposed regulation states that a banks CIP must include procedures for responding to circumstances in which the bank cannot form a reasonable belief that it knows the true identity of a customer. Does this mean that after a certain period of time that an account had been opened by parents whose children were not present and we had not received the signatures and social security

307 S. Main Street, P.O. Box 100  
Eaton Rapids, Michigan 48827  
(517) 663-1551

500 S. Clinton, P.O. Box B  
Grand Ledge, Michigan 48837  
(517) 627-6292

109 S. Main Street, P.O. Box 250  
Nashville, Michigan 49073  
(517) 852-1830

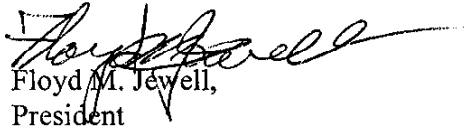
103 S. Main Street, P.O. Box 278  
Olivet, Michigan 49076  
(616) 749-2811

numbers of the children would we be required to close the account? If the account is closed by the bank and it was a certificate of deposit which included a penalty clause for withdrawal, how is this situation to be handled?

- One of the methods suggested for verifying identity is through a credit bureau inquiry. Banks are not allowed to acquire a credit report on a customer without their written approval. Asking a customer for permission to acquire personal information through a credit bureau when opening an account poses many problems. Very few people would readily agree to this request. In addition, the cost to the bank would be prohibitive. When considering joint account holders, particularly those not present when opening an account, this suggested approach becomes impossible.

Please consider the above comments regarding the proposals.

Very truly yours,  
Eaton Federal Savings Bank

  
Floyd M. Jewell,  
President