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September 5, 2002

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

Attention: No. 2002-27

Dear Chief Counsel:

Atlantic States Bank is a \$1 billion bank headquartered in Ft. Myers, FL with over 40 offices in Florida and Georgia.

We have several concerns with the proposal related to Section 326 of the USA Patriot Act.

First, the text indicates that these regulations are to be effective October 25, 2002. However, this proposal was not published until July 23rd and the comment period does not end until September 6th. Even if the agencies spend very little time reviewing and discussing the comments received, the best-case scenario is that final regulations will be issued very close to their effective date.

The conclusion reached in the proposal, that the new requirements will have a minimal effect on institutions, is obviously not true in our case. The regulations will greatly increase the amount of identification we must obtain. It will be necessary for us to write procedures; determine how the information can be stored, but still be available to all of our offices; and, draft amendments to our existing BSA policy for the Board to approve at a regularly scheduled meeting. We cannot complete any of these tasks until we see the final regulation. Having advance knowledge of exactly how much time we will have is important to our ability to perform the task well.

We suggest that immediately after this comment period ends, announce that compliance with the final regulations will not be mandatory until 9 months after their publication in the Federal Register.

Second, the text indicates that we are required to maintain records of the information used to verify a person's identity seeking to open an account.

We suggest that the rule should not require record keeping for situations where an individual does not actually receive bank services.

Third, the text indicates that we are required to maintain records of all signatories on an account. There will be some cases where multiple signatories will be numerous. Verification of all of those individuals will be extremely costly and problematic.

We suggest that any requirement for signatories be risk-based and that any rule be reasonable and practical.

Fourth, the text indicates that banks retain photocopies of documents such as driver's licenses when used to verify the identity of customers.

The cost of copying such information, as well as ensuring that systems be developed to allow for centralizing the copy of the license, make this part of the proposal impractical, burdensome and will force banks away from using this type of verification.

We suggest that the account application form, with a notation of the information received, be considered compliant with the rule.

In summary, as presently written, the regulations would be burdensome and costly to the bank. Estimates range as high as \$10 per account just to comply with regulations as written, not including programming, writing procedures, and training. Processing 2,000 customers per month would equate to an incremental \$200,000+ annually to comply with this section of the regulation.

Sincerely,



Frank King, CRCM
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